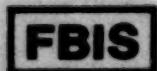


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21 February 1980

West Europe Report

No. 1544



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VALLETTA REVIEWS MEDITERRANEAN NONALINED COUNTRIES' MEETING

LD091038 Valletta Radio Mediterran in English 0700 GMT 9 Feb 80 LD

[Text] Malta this week was the venue for the first ever meeting of non-aligned countries of the Mediterranean. The meeting was called on the initiative of the Maltese government so that the nonaligned countries could plan a common policy for the forthcoming conference on security and cooperation in Europe, scheduled to be held in Madrid next November.

The meeting was opened by the secretary of the Maltese Ministry of Foreign Affairs, Mr Maurice Abela, who was chairman throughout. In his opening speech he drew the attention of the attending delegates to the important role played by Malta in the process of the conference on security and cooperation in Europe. It was Malta which had convinced Europe that security and cooperation of the European mainland would be meaningless without a similar situation being attained in the Mediterranean. It was also Malta which had forced Europe to accept that nonparticipating states should be given a meaningful role in the deliberations of the conference on security and cooperation in Europe.

Before the meeting started to get underway the question had to be settled first of Egypt's participation. Mr Abela tried, but without success, to find a satisfactory solution to the problem. After the chairman had heard all the delegations expressing their views on the subject the representatives of the Republic of Egypt were asked to withdraw. Egypt was barred from the meeting on the grounds that policies it had adopted in recent years had caused it to lose the status of a nonaligned country. After the Egyptian representatives left, the meeting got underway, with representatives of Syria, Cyprus, Morocco, Malta, Libya, Tunisia, Algeria, Yugoslavia and the Palestine Liberation Organization.

It also agreed by consensus to a request by the Cuban ambassador in Rome, Roberto Mulet de Valle, that Cuba be allowed to attend the meeting as an observer. Cuba is currently chairman of the nonaligned movement.

As usual at such meetings, Malta's delegation was conspicuous with a number of serious proposals which included the setting-up of machinery for closer

cooperation among Mediterranean countries. Another Maltese proposal was that the meeting should recognize and implement joint projects in the economic, social, technical, scientific and cultural sectors. There were also Maltese proposals on economic security and cooperation on Mediterranean. The meeting also discussed Mediterranean security, the Camp David agreements and their effect on Mediterranean security and stability, common initiatives by Mediterranean countries aimed at lessening tension and strengthening security and the reduction of armed forces from the region.

At the end of the third day on behalf of all the delegations attending the representative of the Palestine Liberation Organization thanked the government and people of Malta for the initiative of convening the first meeting and the way it was being hosted. He said this initiative of the Maltese government was further evidence of Malta's constant faith in Mediterranean unity and cooperation, to which all the members attending the meeting subscribed.

The meeting came to a close in the early hours of Friday morning with agreement on the agenda of work for the first meeting of Mediterranean countries, which is to be held in April in Malta in preparation for the Madrid conference.

Maltese Premier Don Mintoff, in a special message, congratulated all the delegates for their success in reaching agreement so quickly. He added that this success was even more significant when account was taken of the many upheavals which threaten so gravely the peace of the Mediterranean Sea. Mr Mintoff (?augured) that the cooperation and understanding shown by all members during this historic meeting would again prevail over all discussions in Madrid and beyond.

CSO: 3120

EEC ENERGY COMMISSIONER ON NEED FOR CONSERVATION MEASURES

Rome IL FIORINO in Italian 9 Jan 80 p 3

[Article by Guido Brunner: "Energy Policy: Too Many Errors By Those Who Wanted To Steer The Market"]

[Text] An old farmer's proverb says that we should live as though life were to end tomorrow, but save as though we were to live forever. Thinking for a moment about the meaning of this statement, we must admit that we do not follow this wise counsel and that often we have done precisely the reverse. We have developed a style of life and a kind of economy that has nothing to do with saving and which instead is inspired by plunder and exploitation. We have built industries that hunger for energy and automobiles that waste fuel. We have not concentrated our efforts and our imagination on savings of limited resources and on concern for the earth, the waters and the atmosphere.

This is nothing new. In a modern sense, the phenomenon has already existed for 100 years and the transformation of the environment has accelerated enormously.

Ten Years Ago...

Ten years ago not a few people were convinced that the problem of production was solved and that human needs could be satisfied indefinitely. It was also believed that Hegel, who affirmed that the earth existed to be conquered by man, was right. But the situation has changed radically in the past ten years. In this decade we have become aware of the speed with which the resources of our planet have been exploited. Still worse: These resources are becoming exhausted and we begin to doubt that it will be possible to continue on the road of economic growth, to doubt the validity of the basis for progress. With a certain shock we are aware that progress demands a price that no one can escape paying.

But humanity was not awakened by the mark of science, by expert forecasts. We must admit frankly that the price policy of the oil-producing nations made us become aware of the seriousness and concreteness of the danger.

If in 1973, OPEC had not given the signal, perhaps the prices of petroleum products would have decreased, taking us still further away from the long-term reality whose countersign is scarcity. We would have continued to vacillate and probably there would be no North Sea petroleum or Alaska pipeline; nuclear energy would be a technological luxury without practical importance and we would not have stopped exploiting the coal deposits.

How have we come to this point? How has it been possible in 25 years to find ourselves in this energy squeeze? The present position is the price of errors made in steering the market. This is a heavy verdict which must be demonstrated. What symptoms were exhibited by the market in these years? Market prices for 25 years told us that petroleum cost little, that it existed in sufficient quantities, and was the world's most reliable source of energy. These signals were taken literally and we increasingly consumed petroleum. For example, in Germany. In 25 years we increased from 5 to 50 percent the share of petroleum in the country's energy budget. As a consequence, the consumption of anthracite dropped from 74 to 14 percent. This is what happened everywhere and we based the postwar world economy on consumption of petroleum.

Today we know that the signals of the market were wrong, that the information we received was short-term and it dangerously ignored future situations. This led to errors in channeling resources, errors that took place at the promises of a liberal economy that could no longer be reversed with means available to the economy. The correction came on the political level and was made in 1973. This was a painful correction because it affected the economy profoundly. It was not only the business cycle that was involved in it. Doubts also arose concerning general institutions, concerning our behavior and concerning production. The situation could not have been different if within the span of six years the sum of \$800 billion had been distributed differently. This, in fact, is the net income of the OPEC nations since 1973, the result of a tenfold increase in the price of petroleum.

A new element was added to the politicization of international energy markets: The Third World nations were no longer willing to keep quiet.

John Stewart Mill, later Karl Marx, and after him John Maynard Keynes, divided economic goods into two categories, those necessary and those desired.

Desires and Needs

What we yearn for most in our industrial societies falls into the category of desires and almost never in that of needs; it is more a part of the spiritual sector than the physical sector. For us, poverty is something. The poor person is one who is someone who earns less than his neighbor. The poor person is one who has unsatisfied desires. By this I do not mean that this type of poverty is less legitimate or, for those involved, less important. But two billion persons in the world struggle to satisfy the

needs that are included in the first category of goods. Two billion persons struggle against hunger and illness. These are the absolute necessities and I believe that in a human and just world the supreme commitment should be to satisfy the absolute needs of everyone. What is at stake today is the energy necessary to satisfy these fundamental needs.

Now we should achieve imposing economic changes, because only if we free ourselves from this fatal dependency on petroleum can we remain the masters of our own homes. We need achievable programs for energy conservation. We should change antiquated industrial systems. We should improve transportation systems and inadequate thermal insulation which causes a waste of energy. We should find more economical systems of life in families, for example, for private heating and to activate home appliances.

Immense quantities of fuel are still consumed in these sectors. We have calculated that by exploiting the possibilities for energy conservation, there could be savings of up to 30 percent in industrial consumption, 3 percent in road transportation and almost 50 percent in private consumption. Much money must be invested to achieve these savings. The adoption of techniques of saving in the next ten years in the European Community will cost DM 100 billion.

Alternatives to Petroleum

We will need additional money to find alternatives to Arabian petroleum, to utilize other forms of energy. In order to find new oil fields independent of OPEC or new deposits of methane, for example, in the Arctic or on the ocean floor, we must make great technological efforts. Because of the complexity of production processes and the necessary security measures, nuclear plants require large capital investment. If we want to use more coal, the necessary plants must be built. These, too, are expensive especially if new mines must be developed.

The amounts of money we must invest in the energy sector are enormous and we must find this money in addition to the 2 or 3 percent of the gross national product to be spent additionally to finance purchase of petroleum at higher prices. These figures far outweigh those relative to domestic reforms which seemed so expensive to us. In coming years we must invest a large part of economic growth in "energy reform" and thus this money will no longer be available to satisfy consumption needs.

New possibilities are opened in this sector which will not be inferior to those of past industrial revolutions. Capable businessmen, equipped with imagination, can serve as pioneers--I say it without hesitation--earning good returns.

I also see political tasks in this context. We will not render a service to humanity by sparing it from the small sacrifices now for much larger

sacrifices later on. Political forces must take the reins of the situation because we need new relations between politics and economics.

Some will find it difficult to believe in further progress and important improvements. To these skeptics I would like to cite the words of a European head of government: "Perhaps we will not succeed in entering the kingdom of heaven, but we will make an attempt to escape hell."

6034

CSO: 3104

BRANDT, KREISKY EXPRESS CONFIDENCE IN YUGOSLAVIA

LD091204 Belgrade TANJUG in English 1100 GMT 9 Feb 80 LD

[Text] Ljubljana, 9 Feb (TANJUG)--Chairman of the Socialist International Willy Brandt has stated that he was "not worried about Yugoslavia, but that he was worried about the condition of President Tito's health, as many others too were worried, together with the Yugoslavs." He expressed the conviction that Yugoslavia is firm, that it is a component part of relationship of forces in Europe and that it is capable of surviving even the hardest trials.

Austrian Chancellor Bruno Kreisky also emphasized that he considers Yugoslavia firm and that all speculations over it are senseless. "Yugoslavia, according to my deepest conviction, is one of the firmest states in Europe," he said.

They set forth these assessments in an interview of leaders of some parties members of the Socialist International to the television of Ljubljana, the capital of the Yugoslav constituent Republic of Slovenia. Topics of the interviews, which the Ljubljana television telecast in a special program last night, related most to the policy of detente in international relations, especially after the Vienna conference of representatives of the Socialist International from 28 countries.

In Willy Brandt's opinion, peoples of both blocs, as well as peoples of the non-aligned countries, should (?incessantly) warn the big powers that they must not harm the process of detente for any reason. He considers that negotiations and contacts should be continued and intensified, and that the meeting on security and cooperation in Europe due to be held in Madrid this year should be carefully prepared.

Some circles see only now, in the serious international crisis, the importance of the non-aligned movement, stated chairman of the Socialist International Willy Brandt, adding that many parties see that this movement is not of "second-rate importance" and that the non-aligned bear a substantial portion of care for the maintenance of peace.

Bruno Kreisky said that "the entry of Soviet troops into Afghanistan has in the largest possible extent endangered the relaxation of tensions in Europe." He also believes that everything in power must now be done to prevent a new cold war and restore detente.

Finnish Social Democratic Party Chairman Kalevi Sorsa sees in the European conference Madrid meeting an occasion for all European countries to take active action to prevent the deterioration of the situation. He says that it would be good to include military questions in the conference agenda.

Assessing the consequences of the Soviet action in Afghanistan as negative, Danish Prime Minister Anker Jorgensen said that "we are convinced that it is necessary to maintain all contacts, especially detente."

A similar view was expressed by Socialist International Vice-Chairman Olof Palme, who observed that social democratic will strive for strengthening contacts and at the same time be consistent in condemning actions which endanger the independence of peoples.

CSO: 3120

DENKTAS STATEMENT ON RESUMPTION OF TALKS CRITICIZED

NC030937 Nicosia ELEVTHERI KYPROS in Greek 3 Feb 80 p 3 NC

[From the "Comments" column: "Denktas' Intentions"]

[Text] We will not elaborate on whether the extremist Turkish Cypriot leadership and Ankara really want the resumption of a serious dialog aimed at achieving a just Cyprus solution.

However, Turkish Cypriot leader Denktas' statement day before yesterday makes it clear that he is far from trying to pursue the resumption of substantive and constructive talks between the two sides. On the contrary, it shows that he has no wish to come to the negotiating table ready for a serious dialog and that in essence he torpedoed the fresh initiative by UN Secretary General Waldheim.

This is how we interpret the Turkish Cypriot side's stand because in no other light can we view Mr Denktas' statement, made the day before yesterday, in which he stipulated that the talks should not be resumed unless the latest UN General Assembly resolution is revoked. That resolution, he maintains, allegedly contains points that would impede the resumption of the talks.

We must also not forget that while this man was strolling intrusively in the corridors of the recent foreign ministers' conference of Islamic countries in Islamabad, he was trying to convince everybody that this UN General Assembly resolution has no validity whatsoever; that, besides everything else, it not only acknowledged the Cyprus Government as the lawful representative of the Cyprus Republic, but also gave it the right of authority on all Cyprus territory. In essence, this is how the Turkish Cypriot leader insists on doubting, disrespecting and disregarding the validity of the resolution passed by 100 UN member states and simultaneously tries to win the support of a numerically small conference of Islamic countries, many of which have honored this UN resolution on Cyprus with their vote.

'O AGON': UDI WHEN IT SUITS TURKISH GOVERNMENT

NC071007 Nicosia O AGON in Greek 7 Feb 80 p 2 NC

[From "Our Positions" column: "Turkey and the Green Light"]

[Text] According to press reports, Turkey has not "yet" given Denktas the green light to declare an independent state in the occupied areas. Nevertheless, it appears that Ankara has given the green light to Denktas' current behavior and to the undermining of all efforts for holding talks and for a Cyprus solution.

This is in full agreement with Turkey's policy and attitude. Today Turkey is facing terrible problems and is not disturbed by the Cyprus problem. All pressure by third countries has ceased, and there is no doubt that the situation--with regard to Cyprus--will become much easier for Turkey as a result of the developments in Afghanistan, since all countries are eager to offer it aid and assistance.

Thus, the Turkish Government does not have to proceed with any action for solving the problem. In the meantime, it is waiting for some international events to take place that will allow it to fulfill its plans without suffering from any consequences, as was the case at the time of the 1974 invasion.

In view of all this, Denktas' intransigent policy is convenient; and in the meantime, Turkey proceeds with international soundings to note the reaction to the declaration of an independent state when the time comes.

CSO: 4908

BRIEFS

TFSC IMPORTS, EXPORTS--In 1979, the Turkish Federated State of Cyprus exported goods worth 1.319 billion Turkish lira and imported goods worth 3.345 billion lira. According to the statistics of the ministry of industry, trade and cooperatives, 279 million lira worth of the exports went to Turkey and the rest to third countries. The imports from Turkey amounted to 1.445 billion lira and from third countries, 1.9 billion lira. Britain heads the third countries that have trade relations with the Turkish Federated State. It is followed by West Germany, Italy, Arab countries, Brazil and France. [Text] [TA031130 Bayrak Radio (Clandestine) in Turkish to Cyprus 0500 GMT 3 Feb 80 TA]

TFSC TOURISM--Minister of Foreign Affairs, Defense and Tourism Kenan Atakol, in a statement to the Turkish news agency in Cyprus, said that some 108,000 tourists visited the federated state during 1979 and that 1.156 billion Turkish lira had been earned from tourism. He added that, with the development of tourism in the federated state, foreign currency revenues will be increased. [Bayrak Radio (Clandestine) in Turkish to Cyprus 1530 GMT 3 Feb 80 TA]

CSO: 4907

BONN CABINET CRITICIZES U.S. POLICY MOVES

DW120714 Hamburg DER SPIEGEL in German 11 Feb 80 pp 19-21 DW

[Text] Despite all protestations of loyalty to the United States, Bonn more than ever before is dissociating itself from the United States. At the German-French summit, Schmidt and Giscard were "agreed as never before" to insure for themselves a certain bloc nonalignment within the Atlantic alliance. Carter's Olympic ultimatum, however, may well put an early end to this hope.

In a room at the Paris Elysee Palace the curtain went up, and German Defense Minister Hans Apel groped his way toward the television spotlight with his colleague Von Bourges in tow--the final act of the German-French summit talks last week Tuesday.

The two protagonists took their seats at a table, busily exchanged red-bound folders, signed documents, smiled in a friendly way, shook hands and departed.

The play so solemnly staged by the heads of government meant no more than this: Germans and Frenchmen jointly want to build a tank by the end of the eighties.

Thus the presentation was rather intended as a demonstration of European desire for defense, as a gesture toward U.S. President Jimmy Carter, who has sensed inadequate support, even felt deserted by his allies since the Soviet invasion of Afghanistan.

Such noncommittal friendliness seemed appropriate to Valery Giscard d'Estaing and Helmut Schmidt because they expected the Americans to take quite a bit in the actual document of the day, the joint statement.

Granted, there is talk in it about "loyalty" toward the Atlantic alliance--an avowal which Paris has not made so plainly in a long time. In reality, however, the French and Germans dissociated themselves from the United States to a point hitherto unknown to Washington or Bonn--truly no "routine event," as the chancellor stated.

When Helmut Schmidt reported to his cabinet on the summit last Wednesday he praised, to begin with, the fact that the Germans and French had "never been in such agreement." Nor did the chancellor forget to emphasize his own contribution to this success: It became plain in a comparison with the communique following Giscard's visit to India in late January.

In Delhi, Giscard and Indira Gandhi did not mention the Soviet invasion of Afghanistan but rather warned the United States--without mentioning it by name--against a relapse into "cold war."

The chancellor's phrase "never been in such agreement" does not only signify a new avowal of loyalty to the United States but also accord at a distance with Carter's stern course.

In Paris Giscard and Schmidt allied themselves against the superpower United States. Quite devoid of scruples, the German government chief disclosed in a private circle at the dinner table that he and his French partner intended to send Washington "a message of moderation" and of "the clear advocacy of their own interests."

Never before has Schmidt so publicly declared his stance vis-a-vis the great ally. Granted, since Carter's inauguration Schmidt on several occasions had defended German interests against massive pressure from the United States--for instance against the White House inflation policy or against the American antiatom program, which jeopardized a German reactor deal with Brazil. Detente politician Schmidt also did not consider Jimmy Carter's campaign against the violation of human rights in the East Bloc particularly helpful.

Now that Schmidt fears an increasing hardening of the superpowers, he claims in an official document--jointly with Giscard--an individual policy independent of the United States. The German and the Frenchman claim for all European states a "special responsibility" a minor declaration of independence by the Europeans.

Giscard has made his position plain even before the summit: Since "the West is not a bloc like the East everyone" must "determine what their solidarity (with the United States) is like." By that France is "not at all neutral," however, yet the French position indeed is an alternative between Moscow and Washington, especially for the Third World.

By his desire for "leeways" Schmidt has approached the French position, a ticklish balancing act to insure for himself a sort of bloc nonalignment in the alliance. German Interior Minister Gerhart Baum has the impression that "a whiff of a third road" is discernible already.

Hardly beating around the bush the tightrope walkers of Paris also admit in their statement what has brought them as close together as never before: The apprehension that Afghanistan may entail "the most serious consequences

even if this were not intended. Put into plain terms: They are afraid that Carter is pushing the escalation too far.

After this return the chancellor promptly warned in the cabinet: The world powers must not "inadvertently" skid into a great conflict. Schmidt: "The situation is highly critical."

Likewise worried was Hans-Dietrich Genscher, albeit above all because of the U.S. reaction to the German-French entente. Actually, the foreign office boss found, Carter can be satisfied with the Paris statement: "The invasion of Afghanistan has been condemned in it three times." But neither Genscher nor Defense Minister Apel are sure whether this is enough. Apel: "We must watch out lest the United States come to the wrong reactions now."

The Bonn people sought to play down the initial excited commentaries from overseas. Government spokesman Boelling: "This does not come from the top floor." But even there, it is not all cakes and ale. For it became only too plain in Paris that the Europeans assess the situation quite differently than do the Americans.

[DW120726] Unlike the United States, the German and French governments do not at all regard the Soviet invasion of Afghanistan as constituting preparations for a seizure of the oil wells on the gulf. What rather seems plausible to them is the excuse recently advanced by CP boss Leonid Brezhnev in Moscow to the president of the French Parliament, Jaques Chaban-Delmas: Because of the unstable domestic situation in Afghanistan the Russians had to intervene.

Logically the Paris statement says in part that only "in the event of a new strike of the same nature" would the required "measures" be taken. In that case, however, said a Bonn Cabinet member, a "lot more" than just strong words may be expected: "This is also meant militarily."

The loudly proclaimed Carter doctrine, in contrast, is considered by Schmidt and Giscard as an empty threat because the U.S. military potential is not even big enough to make it stick. The play with the use of tactical nuclear weapons only aggravates the danger of escalation.

In the cabinet development-aid Minister Rainer Offergeld expressly drew attention to the hazards that might result from the armament of Pakistan for the Indian subcontinent. During his January visit in New Delhi, said Offergeld, India's prime minister likened the Pakistani military dictator Sia-ul Hak to the shah. Said Indira Gandhi to her German guest: "The United States has put its stakes on the wrong horse for the second time."

India, Offergeld quoted the Indian head of government as having said, increasingly feels encircled: On one side Sia is showing muscle thanks to U.S. military aid, Sia who already likened the constant quarrel over Cashmere to the Palestinian problem; lurking on the other side is China which supports rebels in the northern provinces.

In this manner, Offergeld warned, Indira Gandhi is being driven to the side of Moscow: "The grave danger exists that the Indians will be forced onto a foreign-policy course which just cannot be to our liking."

The cabinet round was agreed in its judgement about a newspaper photograph showing Carter's security adviser Zbigniew Brzezinski with a machinegun during his Pakistan visit: The impression is awful.

In Bonn's view the Carter administration also proved its lack of perception for the sensitivities of the developing countries when it dispatched former boxing champion Muhammad Ali to Africa last week with the mission of soliciting a boycott of the summer Olympic games in Moscow.

Foreign Office Chief Genscher lamented in the cabinet the deterioration of the diplomatic morals. It was nearly with glee that he registered the fiasco of the Carter envoy with the president of Tanzania: "Nyerere did not receive him." And Development-Aid Minister Offergeld found that the "feelings in the Third World are fouled up" that way.

It is with increasing displeasure anyway that the French and the Germans are observing how persistently the U.S. President is heading for an Olympic boycott. Carter's threat to boycott the games unless the Soviets withdraw from Afghanistan by 20 February is considered by Paris and Bonn the worst blunder of U.S. foreign policy. The ultimatum opens a secondary war theater and simultaneously deprives Moscow of the chance to save face.

A chancellor adviser: "The Russians are to be arraigned and punished--this is retorsion instead of policy."

Helmut Schmidt reiterated in cabinet last Wednesday the motto: "The Olympics must not become the central issue." And Foreign Minister Genscher hectically endeavored for new conferences at which he wanted to seek a way out of the Carter-caused dilemma jointly with his colleagues--until the French put a lid on the zeal last Friday.

The German plan: If Moscow in the near future plainly manifests its will for a resumption of detente policy and, besides, declares its intention to gradually withdraw the occupation troops from Afghanistan, then one might talk about the West's participation in the games.

It is extremely doubtful that the Russians will come round to make such signs of good will. For Bonn's ambassador to Moscow, Hans-Georg Wiewe, got to feel on the spot how frosty relations currently are.

He had to wait for more than a week until he was allowed at the beginning of last week at long last to hand over in the Kremlin a letter of the chancellor addressed to Leonid Brezhnev. And instead of being received by the party chief himself, as desired, he was admitted only to Foreign Minister Andrey Gromyko. Next day Wiewe marched up to Gromyko once again, but he

still could not report any reaction to Bonn at the end of last week. Government spokesman Boelling last Friday: "There is no signal, no convincing signal."

Just as doubtful as any cooperativeness of the Soviets is a yielding of the Americans in the Olympic boycott. If Carter remains adamant not only the Germans but also the hitherto hesitant French will follow suit, whether they like it or not. Genscher: "The Olympic games are an indicator of Western solidarity."

Thus, 20 February might mark another low in East-West relations. The GDR, at any rate, seems to be firmly reckoning with a further hardening: It wants to conclude agreements quickly before the iron curtain comes down.

In all quietness East Berlin in the past few weeks stepped up the negotiations on an inter-German agreement worth DM500 million still outstanding. Bonn proposed to pay this amount for the improvement of the Herleshausen border transit point, the enhancement of the inland shipping routes, and the protection of the inland waters of the Havel, Spree, and Werra rivers; payable and due soon would also be the first installment of DM100 million for the electrification of the railroad lines to Berlin estimated at DM2 billion.

Said SED chief Erich Honecker to his guest, French Foreign Trade Minister Jean-Francois Deniau the week before last: "We are interested in getting this done before the overall weather situation strikes after 20 February."

CSO: 3103

MINISTER OFFERGELD INTERVIEWED ON BRANDT NORTH-SOUTH REPORT

DW130915 Frankfurt FRANKFURTER RUNDSCHAU in German 13 Feb 80 p 5 DW

[Interview with Rainer Offergeld, minister for economic cooperation, by correspondent Rolf-Dietrich Schwartz; place and date not given]

[Text] FRANKFURTER RUNDSCHAU [FR]: Willy Brandt as the chairman of the "Independent Commission for International Development Problems" has handed to UN Secretary General Kurt Waldheim his "North-South report" under the title "A Program To Survive." Do you see anything new in it?

Offergeld: It is first of all remarkable who has made these suggestions. These are no unworldly, blue-eyed experts but people with long political experience. These suggestions carry therefore some special weight.

The report shows that the development policy discussion in the Federal Republic is up to date, because many elements of the commission's report are in line with the suggestions of the Federal Republic and its development policy theses. The addresses are industrial states as well as developing countries. Of particular importance for industrial states is the once more stressed demand for an increased transfer of resources and the most far-reaching demand for a reform of the international currency system. The priority of fighting absolute poverty, as contained in the report, is addressed to both sides: Industrial and developing countries.

I would have preferred more emphasis on the role of OPEC states in the report which naturally had to be a compromise, particularly with regard to developments in past months. I am convinced that without a substantial participation of OPEC states an improvement of the situation of developing countries is unimaginable. A point that creates always more headaches for us development politicians, a point to which we have no answer so far, is the position of many--particularly Islamic-development countries, who believe that many things we consider development help are foreign Western influence and who reject it basically. Willy Brandt has clearly stressed that in the introduction of his report. Unfortunately, however, the report did not deal more thoroughly with this problem.

FR: Next to the details you mentioned, the report also contains demands for the establishment of new institutions such as a world currency fund, a world trade organization and new monetary sources for development aid, such as taxation of world trade and particularly arms exports. Do not such suggestions cover up the fact that there is a lack of political will to support the Third World effectively?

Offergeld: We would be doing injustice to the commission if we were to concentrate on the new instructions in the discussion. Priority must be given to the contents of the discussion. Involved, for example, is not merely a new energy institute, but the demand of the commission to exploit alternative energy sources such as water, coal, the sun, the wind and the biomass. The commission is also dealing with the liberalization of markets, for example. The further development tax just at a first glance seems to be a new instrument. The core of the suggestion much rather is the intention of making the transfer of resources more predictable. These are all justified and important considerations. As regards new institutions, however, I am very reserved. It must be first demonstrated that the existing institutions cannot fulfill their tasks before new institutions will be set up.

FR: You have recently demanded that the international "conference circus" must come to an end. The Brandt report, however, demands even a new conference, this time without about 25 statesmen, which is supposed to enliven the North-South dialog.

[DW130921] Offergeld: If a limited circle of responsible statesmen authorized to make decisions gets together behind closed doors, as the Brandt commission visualizes it, the far greater chances of success could be expected than from the usual mammoth meetings with a bureaucracy of several thousand officials which flounder over the world. Often only shadow-boxing is taking place there in which nobody wants to lose face, wherefore there is no leeway at all.

FR: The submission of the report has come at a time of an extreme aggravation of the old East-West tensions which make the North-South conflict appear to be second rate. Is the Brandt commission offering any topical orientation assistance?

Offergeld: The report may well contribute toward rectifying the debate currently conducted partially for obvious reasons as though military aid were sufficient for stabilization. Anyone being serious about their demand that the Third World be strengthened in its independence as a peace-securing element cannot confine themselves to merely pondering military alliances and arms deliveries but must ask about the preconditions for stabilization. The sole answer is this: Social balance between North and South as well as among the developing countries.

FR: Suppose you included military assistance in the aid volume for the Third World, as it is being demanded in some places, the development target

of setting 0.7 percent of the gross national product aside for development aid would be attained soon....

Offergeld: ...as far as the minister for development is concerned this is absolutely out of the question. What solely can be involved always is economic aid under observance of the social aspects.

FR: What is the Brandt report worth especially for the policy of the Federal Government: Can Bonn gain any ground among the voters at all with concepts such as the development-aid tax?

Offergeld: It is, after all, the new element of the report that it contains something worth pondering for both sides in the North-South dialog, which really has not yet taken place, and that it does not raise demands on only one side. During the past few years the understanding for development policy has clearly grown among the people. I am confident that it will be possible to make the citizen understand the need for such tax impositions if they are properly justified.

FR: But it is a fact that hotbeds of crisis must erupt first before more aid is extended, as illustrated by the topical example of Turkey. Is the Brandt report not again but another link in the chain of wise expertises which will disappear in the archives, being of interest only to experts?

Offergeld: It is not true that all reports disappear in the drawers. I expect from the Brandt commission important inspirations which the Federal Government cannot simply put aside without comment. And yet, I cannot contradict your findings that some international crises do indeed whet the awareness of the need for development aid. By the same token short-winded measures will not do which perhaps might even be bearing the signature "cold war," as demanded by some opposition politicians. All this is underscored by the medium-term and long-term perspective of the commission's proposals.

FR: When will the conclusions drawn by the government from the report precipitate, perhaps specifically in the budget in connection with the latest development in the Middle East?

Offergeld: In the very near future we will adopt increased aid measures to Turkey. These funds, however, must not cut down the large amounts which we have envisaged for aid to the poorest countries. As far as I am concerned this is an inalienable principle. There are other possibilities of rearrangement not only in my particular budget but also within the framework of the overall budget in the event additional funds--say, for the aid to Turkey--are required. There is no need to shake the principles of budget consolidation and of the package on tax alleviations.

CSO: 3103

CDU'S KOHL FAVORS EARLY RESUMPTION OF DIALOG WITH GDR

LD082153 Hamburg DPA in German 2117 GMT 8 Feb 80 LD

[Text] Osnabrueck--CDU Chairman Helmut Kohl has come out in favor of an early resumption of the dialog with the GDR. In an interview with NEUE OSNABRUECKER ZEITUNG (Saturday edition) Kohl said he has always advocated that talks and negotiations be continued in the interest of the peoples. However, the opposition leader is skeptical as to the chances of early new contacts between Bonn and East Berlin. The cooler the relations between the two leading powers, the USSR and the United States, the more restricted the room to maneuver, and thus the chance for a policy of detente by the alliance partners within their respective alliances. This now has showed itself to be so, above all in Eastern Europe.

The policy of detente can still be rescued if it is seen as a realistic policy, and provided east and west are genuinely interested in it. However, one precondition is that the Soviet Union stops trying to dictate the conditions of detente policy to the west, and is prepared to accept military balance.

An editorial version of the interview was made available to DPA.

CSO: 3103

CDU'S MARX VIEWS PLANNED FOREIGN MINISTERS' CONFERENCE IN BONN

DW110957 Saarbruecken Saarlaendischer Rundfunk Network in German 1020 GMT
8 Feb 80 DW

[Telephone interview with Dr Werner Marx, foreign policy spokesman of the CDU/CSU Bundestag Faction, by unidentified reporter; place not given--recorded]

[Text] [Question] We have called you because information exists that in February there will be a foreign ministers' conference of the 7 states in February, that is the United States, Great Britain, Canada, France, Italy, the Federal Republic and probably also Japan. You must certainly feel strengthened because you have demanded such a conference?

[Answer] Yes, I demanded such a conference about 8 days ago, and that for two reasons: first, because I have been always more impatient in view of the fact that one conference has been held after the other, mostly bi-laterally--that is between two states. Leading politicians are running from one conference to the next, publishing communiques. Basically, however, the expectations of the citizens of democratic states have not been fulfilled, namely that the alliance, its top representatives, ought to get together to discuss what is called today division of labor. They ought not merely discuss matters but make decisions, not merely making them but seeing to it that they will be implemented.

[Question] What ought to be the result of that conference according to the opposition?

[Answer] Well, that cannot be said today in detail because I would like to know about the plans of the involved governments. But generally I would like to say that it must become clear how the west wants to change its policy that has been based for a long time on the hope of achieving a long-lasting phase of detente together with the Soviet Union. The inner structure of this policy must be outlined. The west must also outline its reaction to the occupation of Afghanistan and the threatening of other countries, such as Iran, Pakistan or the whole Gulf region.

I would also like to point out European developments, such as in Romania or Yugoslavia. The west must do all that, it had time enough to talk about it, analyze it and formulate its political decision. The individual states must coordinate their action. They must state who will be responsible for a group of states with regard to refugees, military help to the NATO country Turkey, support of Pakistan, further supplies of military equipment and diplomatic actions. One must make up one's mind how to handle the Olympic games, whether one is for them or not, yes or no.

[Question] Do you expect that a common stance will be achieved with regard to the boycott problem?

[Answer] Yes, I expect it, I hope it will be achieved. This will answer my question whether the alliance is really prepared and able to make decisions in line with a common will and common liberal considerations. I am saying it again--the Western nations are slowly fed up with it that only communiques are being issued and that there is too little real political substance.

CSO: 3103

BUNDESBANK'S POEHL CALLS FOR TIGHT MONEY FOR 1980'S

Duesseldorf HANDELSBLATT in German 31 Dec 79 p 16

[Article by Karl Otto Poehl, vice-president of German Bundesbank: "A Strategy of Tight Money in 1980's"]

[Text] At the threshold of a new decade, note-issuing banks of large industrial nations are facing difficult problems. As happened after the first oil crisis, the world is again flooded with a wave of inflation. In spite of all protestations a few months ago during the Belgrade Currency Conference of giving first priority to the fight against inflation, the merry-go-round of inflation seems to rotate faster and faster. Even the FRG has not remained untouched by this wave. An note-issuing bank which is obligated by law to preserve monetary stability cannot find comfort in the fact that compared to others we are still in pretty good shape, or that a considerable part of the most recent price increases was caused by external facts such as higher costs for oil and raw materials as well as rising prices for imports. A responsible bank of issue can meet the dangers to stability that are becoming apparent in only one way: by maintaining a tight monetary policy.

There is no contradiction between tight money and economic growth, a claim which is sometimes made. Rather, recent experiences have shown clearly that a policy of stabilization is simultaneously the best policy for growth and that inflation will eventually lead to draconian braking maneuvers which will have devastating consequences for growth and employment. Inflation is antisocial, it creates neither prosperity nor jobs and is not a remedy against unemployment; on the contrary, it is one of its main causes. This principal statement of the 1977 London Summit Conference is still as valid as it was at that time.

The German Bundesbank will continue a policy that has proven itself. All those people who are involved in the economic process will have to be prepared for the fact that money will have to be tight if it is to retain its value.

The criteria which the note-issuing bank can and will apply to the monetary framework are the real opportunities for the growth of our economy. In this respect we should not have any illusions. Most likely, this framework will be even tighter in the 1980's. On one hand, economic growth as a goal is no longer accepted unconditionally; quality of life is no longer measured only by the increase in the GNP. On the other hand, and this is

more serious, we are currently involved in an almost dramatic worldwide struggle for distribution. Consequently, it is likely that we will have to be permanently prepared for sharing an increasing portion of our GNP with other countries. We cannot ignore this unpleasant truth by simply printing a little bit more money. We know that this has been tried in one country or another with absolutely catastrophic consequences.

Neutralize Liquidity

To be sure, higher oil prices cannot be eliminated through restrictive monetary and credit policies. But each mark that has been spent for oil, other raw materials or development aid cannot be used again at home for higher wages, company profits or additional government expenditures. That requires a continuous development of our credit policy machinery in such a manner that we will be able to neutralize the liquidity effects of short-term capital movements involving considerable sums, something we have experienced during the last 1-1/2 years.

A restriction on the freedom of movement of capital would not be an adequate answer to this problem. Experiences from the time before 1973 have clearly shown how limited the effects of capital-movement restrictions are in a free economy. This freedom, in addition to the freedom of movement of goods and services, is one of the pillars which guarantee the functioning of the world economy. It should not be tampered with unless absolutely necessary.

Consequences for German Mark No Always Pleasant

We all want the German mark to remain a hard currency because we look upon inflation as a cancer that eventually would destroy our social system. The consequences are of course not always pleasant. A hard German mark is also an attractive German mark. Consequently, in recent years the mark has become more and more desirable on the international market as an investment and reserve currency. Because of the possible effects on monetary policy and the exchange rate, we look upon this with a certain uneasiness, but, I am afraid, we will have to live with it.

Greater stability in the international monetary system requires close cooperation between banks of issue. In this respect the European Monetary System can to some extent serve as an example. Contrary to wide spread scepticism, it has performed remarkably well during the first year of its existence. It succeeded in making necessary currency-rate adjustments at the proper time and without much ado.

To date, the Monetary System has reached only one of its goals; to wit, in many respects a currency system of higher authority can [portion of text missing]. With regard to a reduction in rates of inflation there has been little success to date. Nevertheless, the European Monetary System is not only an exchange-rate union as was the case with the one-time European currency snake but, according to the will of its inceptors, is also intended as a stabilizing force, because that is the only way that it will be able to exist permanently. Thus, a consistent stabilization policy is the order of the hour not only in the FRG but worldwide.

FINANCE MINISTER DEFENDS GOVERNMENT BORROWING POLICIES

Duesseldorf HANDELSBLATT in German 31 Dec 79 p 4

[Article by Hans Matthoefer, FRG minister of Finance: "Bonn's Borrowing Policy Appropriate for Economy"]

[Text] There is agreement today that the size of the national debt must not be judged only on budgetary considerations. The amount and structure of the debt also influences economic development.

Today we are facing the question of what challenges financial policy will have to face when determining the amount of money the government will borrow in 1980. All prognoses by the Council of Experts and economics institutes are pointing to continued growth also in 1980, although it is expected to be slower than in 1979. At the same time, we expect that the rate of price increases during the course of the year will drop when compared to 1979.

The social-liberal coalition has drawn corresponding conclusions for the 1980 Federal Budget. Its rate of increase is only 5 percent, as against the targeted and actual figure for 1979. In other words, it is below the expected nominal increase in the GNP, which means that the net amount of DM 24.3 billion which will have to be borrowed to cover the federal budget for 1980 has been limited to the degree necessary for the national economy.

If--as happened in 1979--tax revenues should again exceed tax estimates as submitted in the budget, the first priority will be to use these also to reduce the net amount that must be borrowed. The earnest effort by the federal government to reduce borrowing is underlined by its willingness to forgo additional tax reductions for 1980--with the exception of the increase in the tax-exempt amount for Christmas money.

It is possible that the effect on the voters might have been more favorable if taxes were to be lowered in 1980. But the decision against such a step--certainly not a simple one--was necessary to assure the required latitude for future financial policies. In this respect we will have to rely upon the understanding of the citizens. It is obvious that strong

borrowing by the government puts a heavier and heavier burden on the budget because of high interest payments. As a consequence, less and less money is available for financing purposes.

Considering the current situation, we will have to expect a moderate slowdown in the real growth rate of our economy for 1980 compared to 1979. If the decrease in public demand is too strong, it could lead to an acceleration in the slowdown of the growth rate.

To avoid a sudden downturn in the development of demand which could affect the entire economy, the federal budget and those of the Laender and local governments must not be below a certain growth rate. Public expenditures must continue to be at an adequate level to provide a reasonable volume of employment. If budget outlays of a certain level are considered necessary, it is also economically justified to borrow some of the money to finance them. It is well known that the effect of government borrowing on economic development is twofold. On one hand, it leads to a stabilization of demand and thus to increased growth. On the other hand, every time money is borrowed--if all other factors of influence remain constant--it means that there is a tendency in the direction of rising interest rates. It is the task of financial policy to minimize the conflicts in this situation as much as possible. I feel that the problem has been solved for 1980 with the decision to borrow DM 24.3 billion for the federal budget. This demand leaves still enough room for the market--particularly in view of the high level of private savings--for financing other investments.

When considering the question of whether these investments have to be financed with borrowed money at "too high a cost," it must not be overlooked that the wave of price increases in the FRG resulting from higher oil prices can be fought only with tighter monetary policies by the Bundesbank. A more restrictive credit policy, however, has always led to higher interest rates. Nevertheless, I can state here that German interest rates are still low when compared internationally, and that many foreign borrowers are glad that they can borrow the money they need on the German capital market in spite of the risk they face because of the exchange rate of the German mark.

German Interest Rates Still Low

The most recent developments on securities markets show that German private savers are reacting sensibly to market developments and are taking advantage of available opportunities. With the federal obligation, the federal government has taken another step to induce even more savers to be directly involved in the capital market. It is one of the measures, as happened earlier when federal treasury bonds and financial loans were introduced, to increase the proportion of private savers among the creditors by changing the structure of borrowing.

When assessing the opportunities of satisfying the federal government's demand for credit on the capital market, there is another factor that should not be overlooked: As a result of the good reception of permanent government issues on the part of private savers, and also as a result of additional tax revenues, the federal government was already able to borrow more in 1979 than was necessary to cover the 1979 budget. This credit surplus will be adequate to cover enough of the proposed debt for 1980, including a federal loan made at the end of the year, that the net amount that the federal government will have to borrow in 1980 will be reduced to below DM 20 billion. Presumably, since the Laender will also need less borrowed money than was anticipated--I expect that the net sum which will have to be borrowed on the market will amount to approximately DM 12 billion--borrowing by governments for their 1980 budgets should not place an unreasonable burden on the market.

I hope and wish that all market partners will judge government borrowing as sensibly and objectively as they are doing in cases of outside financing of businesses. When looking at it sensibly, it becomes evident that the planned policy of government borrowing is well suited to the economic climate and capital-market policies.

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CSO: 3103

DEFENSE MINISTER TRANSFERS CONTROVERSIAL GENERAL

Hamburg DER SPIEGEL in German 21 Jan 80 pp 32-33

[Article: "Close the Case Soon"]

[Text] Defense Minister Apel's actions against Tank Commander Bastian irritated not only those concerned but also his officer colleagues.

A caller from the SUEDEDEUTSCHE ZEITUNG recommended that the major general turn on his radio. Gert Bastian took the advice and last Thursday, listening to the 1300 news on Bavarian Radio, he learned that he had lost his job. In this unorthodox manner, his top-ranking superior let him know that he was no longer the commander of the 12th Tank Division.

Defense Minister Hans Apel was in such a hurry to get rid of the general that he did not even wait for Bastian's letter to arrive in which he requested a transfer to temporary retirement.

Hardly had the officer from Veitshoechheim near Wuerzburg drawn attention to his letter of resignation a day before during a telephone conversation with the minister's office, when Apel publicized the matter, startled by the ticklish message: Bastian once again was the cause for headlines and excitement in Bonn.

For the first time in German military history a general requested retirement with the argument that Germany was arming too much: In his letter to Apel, Bastian criticized the NATO resolution on more arms by saying that the FRG is forbidden "to station a nuclear potential on German soil which threatens the USSR."

But Minister Apel did not want to endure that "soldiers could decide by themselves when they want to retire by making political comments," and so decided to give the general a lesson: Bastian could go, but only if he "waived all rights obtained through his public service." If he does not want that, then he, Apel, would find some other function for him within the Bundeswehr.

Already a year earlier, in March 1979, the tank commander had caused controversy when he defended the arguments of SPD Chairman Herbert Wehner that the Soviet Army has an essentially defensive attitude. This case was debated in the Bundestag. The opposition demanded--in vain--that the general be dismissed.

In September, the Christian Union was again incensed after Bastian wrote the forward for the book "Moerder in Uniform" [Murderers in Uniform], which deals with criminal Nazi organizations, where he argued against "submission without critique," as well as against "an already manic anti-Soviet attitude."

In the dispute on Bastian's support for Herbert Wehner, the defense minister had still protected the officer and warned him to be more reserved in the future. But now he wanted to make the "primacy of politics" unmistakably clear. But the way he handled the division commander, who had 18,000 men under his authority, bothered even officers who worked with Apel and who did not share Bastian's views. A commentary from the planning staff: "The way in which he was treated is not at all in keeping with what one can expect as a soldier from his superior."

When the letter of resignation along with an eight page explanation (with the title: "Why I Reject Additional Arms") could not be found in the ministry on Thursday, at 1000 Bastian sent a driver from Veitshoechheim with a copy of the registered letter to Bonn. But around this time Apel had already reached a quick decision and had prepared a statement together with his press aid Kurt Fischer.

Bastian's messenger was still on the way to the ministry when its text was already given to the news agencies. And while Apel was giving out explanations and spreading information, Bastian still had not heard any official answer by Friday evening.

Bastian then became "very disappointed with the minister." The general said: "The institution is disqualifying itself in a way I would not have expected in my worst dreams." Apel's accusation that anyone would then be able to shape his retirement age flexibly with political arguments hurt Bastian most of all.

Premature retirement, said Bastian, would have cost him DM60,000 anyway--the difference between his salary as an active officer and his pension which he otherwise could only receive after April, 1983.

These DM60,000 are the "price for freedom of speech"--and for Bastian it is political conviction as well. He became more and more convinced that additional forces in NATO would endanger security in Europe. For then Moscow would only react mistrustfully and would continue to arm only out of a fear of attack.

Contrary to his army colleagues, the tank general, who fought on the eastern front during World War II, is deeply convinced that the Soviets have a traumatic fear of letting their country be destroyed again as happened with Hitler's troops. They would only want to fight a war just beyond their borders.

Bastian maintains that the stationing of cruise missiles and Pershing rockets as decided by NATO on 12 December, endangers the detente policy. Ten days before this decision, Bastian announced in a radio interview that the Soviets will only continue to arm themselves "in order to be able to decide a war in the country of the opponent when it comes to war--not to instigate the war but rather when it comes to war."

Even the Soviet invasion of Afghanistan has not changed Bastian's opinion. In a letter pursuant to his request for retirement, the general advised the minister that Afghanistan still would not justify the NATO resolution.

Apel wants to cure his two star general thoroughly of this type of political reasoning when he sees Bastian this coming Monday to talk about a transfer to an equivalent administrative job.

Apel will then leave no doubt about the fact that political and not military leaders are the ones that decide: "Officers of the Bundeswehr have to serve this state and cannot go home when they don't agree with a decision. Then others would get the idea."

And then, as Apel told friends on Friday: "Soon we'll be able to close the case."

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CSO: 3103

REASONS FOR PCF'S RETURN TO SOVIET FOLD

Paris L'UNITE in French 11-17 Jan 80 p 3

[Article by Claude Estier: "PCF: Why Take This Suicidal Risk? Imperative Reasons Are Inducing the French Communist Party to Become Again the 'First-Born Daughter' of the Soviet Church..."]

[Text] It is no longer enough to state it. We must also attempt to explain it. To explain why the PCF has deliberately chosen to retrace in the opposite direction all the distance it had covered since the agreement on the common program and the 23rd Congress, to revert to its language and its behavior of the 1950's, to give up all the distances it had taken--sometimes with insistence--from the Soviet Union, to turn its back to euro-communism which it pretended to champion, in a word to plunge again into isolation after it has suffered so much from it and after taking almost 20 years to emerge from it.

For them to renounce suddenly all that which had enabled them to acquire a much more positive public image--to the extent that only two years ago a majority of French people stated that they would not object to having communist ministers in the French government-- the PCF leaders must have had imperative reasons transcending all other considerations.

Several theories have already been advanced as to what these reasons might be. None is truly satisfactory and none answers all the questions raised. For instance, one newspaper speculated a few days ago that the PCF leaders had approved the Soviet intervention in Afghanistan in order to dig a deeper trench between themselves and the socialist party and make the break between them irreversible. The seriousness of this action, its possibly suicidal consequences for the PCF itself, appear out of proportion with such an objective. All the more so as the PCF is not really in a position to take advantage of this difference: it can hardly indict the socialist party for not approving the intervention of the Soviet army in Kabul!

Another theory is that communists leaders are convinced that the detente era is nearing its end, that international tensions are going to get much worse in the years to come and that, in view of the confrontation to be

expected, there is no third way; one must chose sides, and they have chosen the Soviet side. Those who suggest this explanation add that this is the very reason why the PCF, by breaking its union with the left at the end of 1977, has at the same time created conditions precluding it from gaining power.

A Mere Appendage of American Imperialism

Without dwelling on this last point, there is probably some truth in this tentative explanation. The way the PCF evaluates the international situation is, at any rate, what distinguishes it most from the other western communist parties, especially those of Italy and Spain. These, and in particular the former, strongly assert that they belong to Europe. They see in it a third pole to which they feel they belong, and within which they wish to operate, between the American and the Soviet blocs. Not so the French communists to whom all means are good to denounce the European Community which they always represent as a mere appendage of American imperialism. This fundamental choice is the exact opposite of that implied by eurocommunism. This is why when Georges Marchais and Enrico Berlinguer meet, as they did again only last Saturday in Rome, they do not have much to talk about. The PCI's daily, L'UNITA, did not even see fit to announce the arrival of the PCF's general secretary, and the 23-line statement issued after the meeting is a masterpiece in the art of writing to say nothing. How could it be otherwise, when the PCI denounces the intervention in Kabul in the name of the very principles which had prompted it to denounce the Prag intervention in August 1986, while the PCF, in absolute contradiction with its former position, agrees with the Soviets' reasons in justifying it?

A Disturbing Eagerness

But precisely, and this question has remained unanswered, can this evaluation of the international situation, this decision to belong clearly on the Soviet side--also by preparing ahead of time for the hardening which might follow the end of Leonid Brezhnev's "reign"--suffice to explain the eagerness with which PCF's leaders have espoused the Kremlin's version of the events in Afghanistan, or Georges Marchais' eagerness to spend a week in Moscow when he had openly refused to go there for the 25th Congress of the Soviet communist party (for reasons, furthermore, which were hard to understand)? Whether he is going to Canossa--as positively stated by Jean Elleinstein--or not, this eagerness is enough to disturb the most inured party members who, nevertheless, have become used to a different type of relations with the USSR during the past few years. This has had a disturbing effect not only on intellectuals who sign articles and petitions; Georges Marchais is aware of it, and he also knows that this situation is going to be a source of trouble for him in the weeks and months to come, within his party as well as in the public opinion when he launches his presidential campaign.

Why, then, is he doing the opposite of what he had been advocating not so long ago? Why does he feel forced today into an unconditional alignment which he was still denouncing yesterday as being damaging to the party? What agreement has again turned the PCF into the "first-born daughter" of the Soviet Church in the West?

Dramatic Reunion

These are not questions which can be answered immediately. But in view of Moscow's and the PCF's dramatic reunion, they can no longer be ignored under the pretence that raising them would be bringing more water to the vast bourgeois anticommunist campaign. All men and women of the left, and communist party members in the first place, have the right to know. In the early 1960's, when the PCF began its belated "destalinization," its leaders explained that if they had approved the trials, the attacks on freedom, the stifling of democracy, the cult of personality, it had been only that "they had not known." They cannot say the same of what is happening today in Kabul. Is there so much at stake that they are taking again such a risk in the face of History?

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BARRE CRITICIZES USSR, REJECTS 'COLD WAR' ATTITUDES

LD111413 Paris LE MONDE in French 10-11 Feb 80 p 2 LD

[Dispatch by Michel Tatu: "We Must Work for Cooperation Not Confrontation"]

[Text] New York--The international situation only slightly modified the "professional" nature of Mr Raymond Barre's visit to New York on Thursday and Friday, 7 and 8 February; despite, or perhaps because of, trans-Atlantic problems, illustrated once again on Friday by France's refusal to take part in a Western meeting in Bonn, the French Prime Minister did not meet with any U.S. Government representatives and did not go to Washington, which would certainly have meant a call on Mr Carter.

Similarly the central subject of his two public speeches (at noon Friday to the Foreign Policy Association and then to New York University's French Studies Institute) was as planned in the program decided a long time ago; the French Government's economic policy, with the emphasis in his afternoon speech on "the transition from theory to practice." Nonetheless, in his lunchtime speech to almost 1,500 people in the Waldorf Astoria great hall Mr Barre added a statement which was a synthesis of the French position on the current international challenges.

"The French Government," he said in particular, "considers the Soviet Union's military intervention in Afghanistan unacceptable. No security considerations could justify military action in Kabul anymore than it justified such action in Budapest and Prague in the past."

After affirming Paris' support for the U.S. Government in attempts to obtain the release of the hostages in Tehran and recalling "the importance which the French Government attaches to the ratification of the SALT agreements," the prime minister continued: "The detente policy is based on confidence. This policy must be neither blind nor compliant. Events in Afghanistan have seriously undermined it. For all those sincerely attached to this policy, the withdrawal of the Soviet forces from Afghanistan is the positive gesture which is necessary to safeguard the future. However, France does not intend to adopt extremist attitudes which might help to revive the cold war. It would not remain indifferent and passive in the face of actions which would

threaten balance and security in Europe. It has shown that it can act when necessary, and sometimes alone, to prevent destabilization on the African continent. However, France intends to safeguard all opportunities for dialog to reduce international tension and it hopes to prevent a revival of the blocs which would crystalize the hostility between Western and Eastern Europe."

Dialog Between the Superpowers

Moreover the superpowers pursue dialog "through all difficulties" and in a "frequently exclusive" way. Therefore there is no reason why Europe should not do likewise. "That does not mean," he added in reply to a criticism often heard here, "that Europe would enjoy a monopoly of conciliation while the United States would assume a monopoly of defense." In any case Paris' position is not "equivocal" but "independent." "France is faithful to its allies," Mr Barre added, "it does not practice cowardly appeasement or unconditional alinement.

Will this explanation remove the annoyance and even rancor felt here at Paris' attitude, which is indeed regarded as "equivocal?" Nothing could be less certain, especially after France's refusal to take part in the Bonn meeting.

In any case the disappointment which has followed the hopes aroused by the Franco-German declaration is real and the questions put to Mr Barre at the Waldorf lunch reflected these concerns. With regard to the Olympic games the prime minister merely said that the decision "rests with the International Olympic Committee." However, with regard to relations with the USSR he stressed the conciliatory aspects of his preliminary speech. Of course, he said, France will not take the United States' place in supplying the products which the United States is refusing to give Moscow, but it hopes in a few months to reach "a new climate of understanding which will make it possible to resume trade on a regular basis." Similarly, Mr Barre said that the question of whether Paris is prepared to play a part in defending sea routes "is not relevant at the moment." "We must work for cooperation not confrontation," he concluded.

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REFLECTIONS ON EUROPEAN ROLE, SCHMIDT VISIT

LD080953 Paris LE MONDE in French 7 Feb 80 p 1 LD

[Editorial: "The 'Special Responsibilities' of the Nine"]

[Text] On his return to Bonn Mr Schmidt telephoned Mr Carter to inform him of his talks in Paris. At the same time Mr Francois-Poncet was given the job of explaining the Franco-German declaration to Mr Chervonenko, USSR ambassador to France. There is no longer any question of Mr Brezhnev visiting Paris "at the moment," but a visit by Mr Gromyko has not been ruled out, and it is still possible that a French special envoy could be sent to Moscow.

Mr Giscard d'Estaing has denied that there has been any division of roles either geographical or functional, with Mr Schmidt tackling European security with the United States while he maintains the flow of detente with the USSR. He says that they are both dealing with both matters.

The 35th Franco-German summit certainly shows a degree of vitality in Europe or at least in its Franco-German "hard core." This is shown less by the extent of a cooperation which mobilized almost all ministers and the publication of an original declaration on a burning issue than by the decision to co-produce 4,000 "21st century tanks." The scope of the 1963 de Gaulle-Adenauer treaty was immediately reduced by an agreement which made the United States responsible for arming the Bundeswehr. So the "Franco-German" Panzer is more than just a symbol: it is an example of cooperation in a "sensitive" area where there was little cooperation before.

Nonetheless the Franco-German pair are held in a vise which will quickly crush them if Mr Carter and Mr Brezhnev do not heed what Mr Giscard d'Estaing and, more discreetly, Mr Schmidt are saying to them. The French and the Germans are assuring the United States of their "loyalty" to the Atlantic alliance by trying to insure that the alliance is unnecessary; they are showing the USSR the dangers of its Asian adventure by trying to persuade it that its "regional security" would be guaranteed best by peaceful means.

Should these views not prevail--this depends more on the Kremlin than on the White House at the moment--the "special responsibilities" which Mr

Giscard d'Estaing and Mr Schmidt are claiming for Europe would have little effect, at least unless they define more clearly the policy which these responsibilities imply. However, one line is indicated in the Franco-German declaration when it warns against extending the East-West confrontation to the Third World.

A policy which would blindly mobilize the Third World on behalf of anticommunism, as South Vietnam was once mobilized against the North, would be likely to produce the same result. It is by increasing cooperation that the Third World can adopt an "authentic" nonalignment, as Mr Giscard d'Estaing stressed, and escape the fate confronting it of being a stake and a battlefield.

This is a sphere in which the Europeans are better placed than the Soviets, whose economic aid is small and whose means of penetration have so far been mainly military (arms sales and sending Cuban contingents). However, the Europeans are also better placed than the Americans, who all too often show short-sighted Manicheism and a disconcerting abruptness in changing course.

In this respect Europe has not only special responsibilities but special interests and a special vocation, too. Europe and the Third World run the same risks and have complementary needs and resources. Their cooperation is in the nature of things.

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BARRE STATEMENTS AT COLLOQUIUM SUMMARIZED

Paris LE MONDE in French 12 Jan 80 p 27

[Article: "At L'EXPANSION Colloquium, Social Dialog Is the Key to the Unity of France, Declares the Prime Minister"--passages between slant lines published in italics]

[Text] "The present tensions will probably find non-bellucose solutions, and the will to cooperate will prevail in the world over the will to confrontation," declared Mr Barre on Thursday 10 January at the colloquium organized by the publication L'EXPANSION, in response to a question posed on the chances for war.

After having added that he also did not believe in a monetary catastrophe, nor in the quantitative inadequacy of petroleum supplies, the prime minister defined for the business heads who constituted his essential audience seven rules of conduct to observe: restore demographic dynamism, innovate, export, invest overseas, maintain the soundness of the franc, reduce energy dependence, give to businesses freedom of decision in exchange for a policy of gradual reduction of state assistance and strict control of the money supply, removate work techniques in the public sector, and practice social harmonization.

Support Agreements

On this last point, Mr Barre implicitly reproached management for the failure of negotiations on working hours: /"For the government, investigations for harmonization with professional and labor union organizations is inseparable from its determination to recognize and respect entrepreneurial freedom. Let there be no misunderstanding about the direction of the government's policy. It is not a policy of "reaction," it is a policy of progress.

/"Since 1976, I have tried to restore the position of business in France. I exposed myself to many criticisms by taking painful decisions in order to save enterprises. This is what gives me the right to say today to our business leaders that the recognition of their responsibility would not mean social paralysis, nor above all would rejection of dialog."

/"In October at the end of thorough and constructive discussions with the leaders of professional and labor union organizations, I wanted negotiations between the social partners to be pursued, or at least launched, on three principal subjects: the duration of the work-week; worker expression on the job; the allocation of minimal resources for the least-paid workers. The government remains determined to support an agreement on these different subjects.

/"The results of the arbitration board elections of 12 December confirmed my hopes on this point. No one can deny the representativeness of the unions nor their role in social relations. Their capacity for dialog has grown since 1978. The government considers this change holds promise for the future of both French society and the French economy. I wish that in spite of the difficulties of all kinds which our country faces, and in spite of the problems the French economy must confront, 1980 may be a year of expansion and deepening of the social dialog, because the social dialog is the key to the unity of France."/

To the question whether there was not a contradiction between the government's priority on competition and the recommendations for a social dialog, which, to other than an "empty shell," would have to result in costly benefits, Mr Barre responded: /"Certainly, French companies must be vigilant to stay on top of their production costs. This is not only a wage problem, it is also a management problem. For three years I have been personally following the situation of many companies or sectors having difficulty. I must say that, in many cases, despite considerable help from the state, management deficiencies were at the origin of the difficulties or disasters.

/"What has been encouraging since 1977-78 is the improvement of management that I observe somewhat throughout the French economy, and this is true for the private sector as well as for the national, public companies. (...) In 1980, more than ever, the principle of reduced remuneration must be asserted.

/"But do you not think there a certain number of things to do which would be done without reference to costs but which would also be profitable? Do you not think we must try to overcome opposition in this area, by realizing that social innovation or social profit can benefit the company? I am thinking of the reorganization of the work-week. If we are talking about reducing work time and increasing the costs of production, you know the government's position, and mine, too, I have never hidden it. I think that to speak of a reduction in the work week to 36 hours while paying for 40, in the present circumstances, is nothing but demagoguery and, for those who believe in it, illusion."/

Regarding wage trends, Mr Barre declared: /"I am astonished that those with the highest wages do not seem able to understand that if restraint is required, it will first of all be required of those with the highest wages, rather than of those with the weakest.

/"Because, finally, one must take account of the disparity in wage-earner income...And I do not in the least shrink from telling you that if sacrifice is required, we must make sure that the income of those making the least increases more rapidly than the income of those with high wages.

/"But, I repeat, this is something to be debated within the company. I am for freedom of wage policy in companies. On condition that this not lead to demands for help from the state."/

Gold Will Not Be Abandoned

Questions on the role of gold, Mr Barre said:

/"The Europeans bought gold because there were wars, crises. The United States, not too long ago, knew neither wars nor great financial crises. Now, the Americans are also coming to gold, and I think gold is and will remain a reserve instrument for the central banks. Those who believed they would make gold disappear from the reserves of the central banks and from the transaction routes among the central banks are disappointed. This is understandable, because it is necessary for a country to have a war chest. (...) It was hoped to demonetize gold; it was hoped to fix gold at an artificial price; it was hoped to eliminate it from the reserves of the central banks. We see today that gold is not demonetized, it is banalized--a charming expression which means that the price of gold held by the central banks now follows the market price. Gold continues to remain for all the central banks, including the United States, and for all states, a reserve instrument which will not be abandoned."/

Mr Fourcade, ex-minister of economy and finances, was to state, after Mr Barre's remarks, that he favored re-introducing gold as the frame of reference in a new, tightened international monetary system.

Mr Barre finished his remarks by confirming that credit margins would be modified, but without specifying the date.

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CSO: 3100

UDF PRESIDENT JEAN LECANUET INTERVIEWED

Paris LE MONDE in French 12 Jan 80 pp 1, 12

[Interview with Jean Lecanuet, president of the French Democratic Union (UDF) date and place not given, by Philippe Boucher and Josyane Savigneau: "Liberties and the State: An Interview with Mr Jean Lecanuet; --Democracy is a Luxury of Developed Countries; --The French are More Republican than Democratic"]

[Text] After the statements made by Mr Francois Mitterrand, first secretary of the Socialist Party (LE MONDE 5 December 1979), Mr Jean Lecanuet, president of the UDF, gives below his views on the status of liberties in France.

[Question] What does the state represent for you?

[Answer] The state must be the servant of liberties, and not their master. The foundation of any society is the conscious adhesion of a people to a conception of man. The state's role is to incarnate and organize this adhesion. It succeeds, in the best cases, always imperfectly of course, because it oscillates between these values and their application. But for the political power it is necessary to assume this contradiction and to master the instruments of power available to it in the service of these values.

[Question] Is the opposition oppressed? Perhaps you are going to find me an optimist. I believe France is one of the few countries in the world where the freedoms of expression and debate, indispensable to the game of democracy, are respected, even if some inadequacies remain and some correctives need to be applied.

[Question] From that point of view, since we are wealthy, we should be even more demanding.

[Answer] Could we go so far as to say, even though the word which comes to my lips might be taken in the wrong way, that democracy is, in a certain sense, the luxury of a developed country? Developed from the economic point

of view, therefore having conquered hunger, misery, injustice. Perhaps, too, to refine the judgment, [it needs to be] provided with a certain consciousness of self which is called culture.

[Question] I do not like the word luxury, if it seems to mean, like luxury in life, that it is superfluous.... It is true that Voltaire used to say: "The superfluous, how necessary."

[Answer] In my opinion, what in France disturbs the idea of dialog--even stretched--between majority and opposition is the lack of consensus within the opposition. Here I see a contradiction, in the logical sense of the term, between the socialists and the communists. Their understanding is not the same; adding up their "no" votes gives an electoral result, but this result is artificial. I have always denounced this illusion, even when events seemed to contradict this opinion. And seeing that the opposition is not homogenous...

[Question] Because there is a homogenous majority?

[Answer] It is not homogenous by disposition, but it is with regard to overall concepts of society. For all that, it does not have identical views in all areas of political life. This is a normal situation. It accounts for the pluralism of the parties comprising the majority. But the opposition is in a state of contradiction, which is producing the confusion it exhibits. An opposition--or rather, oppositions--without any general unifying ideas. These oppositions clearly do not accept--at least insofar as the PCF is concerned--our type of society and institutions. To such a degree that democracy in France is deprived of "rotating" capability.

A democracy, at least in the sense we conceive it, on the level of institutions and relations between majority and minority, should permit rotation. Rotation is health, the breath of a democracy. Now in France, because of the PCF, rotation is impossible. This difficulty is peculiar to French democracy. To such a degree that, rather than speak of rotation, it is appropriate to look for a derivative notion. There can only be displacements of emphasis in politics. And, if I have drawn the axis from the center, it was essentially to show this displacement, the new equilibrium of political forces.

The French do not want revolution. They do not love (I use the word love because it has an affective coloration appropriate to their temperament), they do not love being conservatives. They are neither revolutionaries nor conservatives. France is a country that is evolving. In my view, the majority of French are what could be called social-democrats. Although, in describing them as democrats, it occurs to me that the French are perhaps more whole-heartedly republicans than democrats. It would be necessary moreover to be sure we understood each other on the difference between republicans and democrats.

You recall, perhaps, my opposition to the idea of electing the president of the republic by universal suffrage. I feared the personalization of power, and the loss of a democratic life already inadequate. Democracy can be measured by the desire each citizen should have--though only a portion of the French feel it--to be active and responsible at all levels of decision regarding civic life. The French are republicans in the extent to which they naturally reject all ideas of hereditary power or uncontrolled power. It is the myth of Clovis again. Indeed, happily, it is no longer the barons who decide, but the whole people which sets a man on the throne. Certainly, too, the French want to be able to overturn the throne. But, in placing a man on the throne, they are yielding to a tendency which was natural for them throughout our history. They give power to a man to unburden themselves of all the power they confer on him and then criticize him for exercising it in their place. Such is the dialectic of power, by which the French exonerate themselves by retaining the right to overturn the throne occasionally.

[Question] Is this dialectic not extremely dangerous for those freedoms when the state swings to over-regimentation in contrast to the liberalism which is its official philosophy?

[Answer] The present president of the republic, compared to his predecessors, has taken some very important steps in connection with freedom and responsibility. But there is some resistance to this change in a party of the opinion which does not necessarily regard as progress what it sometimes considers weakness or surrender.

One law is not enough to change the mores and behavior of those responsible for applying it. Maturing is an indispensable phenomenon. The law can and must anticipate behavior, and sometimes mores, but it must not go too far beyond reality. In the opposite case, neither the actions of those responsible for applying the laws, nor the mores, will follow the new norm.

The British consider that life is always richer than the imagination, including the juridical imagination. Their law evolves empirically, along with values born on the occasion of events and facts. The French genius, to the contrary, wants to frame life in a discourse of rationality. And as life explodes the discourse of laws, decrees, and orders, we pass our time changing the texts. There results an impression of annihilation for all those who have a portion, a fortiori an important share, of responsibility in the country.

Excess Personal Power

[Question] What is for you the most serious threat hanging over our freedoms?

[Answer] I am going to have to use a term which could be misunderstood, but so much the worse! It would be excess personal power, if the holder of

the presidential power did not keep up the requirements of democracy. Think of the abuses of power a president indifferent to democracy could commit. Our institutional framework carries the risk that the considerable powers described in the Constitution or flowing from implementation in practice could one day fall into the hands of a man who is not a democrat and who would reach for omnipotence and become nearly a dictator.

[Question] What is terrorism?

[Answer] It is a crime, since it is always manifested in an act of violence, or destruction and humiliation of persons. It must therefore be condemned and made the object of all necessary legal means. I should prefer you to have spoken to me of rebellion. One must distinguish between terrorism and rebellion. Rebellion is illegal; it is not illegitimate, since there is no other way to shake a regime when it destroys certain liberties. Thus, in certain cases, I recognize the right to rebel, but never a right to commit terrorism.

[Question] That is a somewhat philosophical position.

[Answer] No, political. One can accept an insurrection, one can understand it, one can even approve it. But one cannot excuse terrorism, which scorns and destroys individuals, using them as a means.

[Question] How do you reconcile being a philosopher and a ruler?

[Answer] The problem is not new. Already with Plato...The Marxists have a philosophy of history, and perhaps more or less a doctrine of man. Against that, other than a few advocates of the theory of vortices, there is nothing but Christianity to offer man a reason for his own being and the vision of his salvation--even if he no longer lives sufficiently in the intensity of that faith. The other ideologies are only layman's versions of Christian concepts.

In this part of the world, there are only two kinds of philosophies: the philosophies of transcendence, and the various species of Marxism. The other ideologies seem to me to be very marginal and confused substitutes.

[Question] What philosopher would you say has best expressed the concept of liberty?

[Answer] We have already cited one from antiquity: Plato. If I skip across the centuries, I would say Saint Thomas, Descartes, Spinoza, and Kant. Among those closer to us, I will obviously not cite Karl Marx, but perhaps Sartre, even though liberty for him only springs up from Nothingness to sink back into it, like a spiteful defiance of absurdity.

Is humanity still capable of receiving the enlightenment of great philosophers? This question implies a doubt for the existence of which the

philosophers of our day are not to blame. This situation was caused by the enormous mass of knowledge and the complexity within that body of knowledge. Once upon a time the philosopher was a happy man, even if he suffered, for there was at least one moment in his life--usually when he was young--when he could say to himself: "I know everything it is possible to know."

Moreover, the same man was almost always someone who would contribute to the progress of science. Philosophy is not a knowledge apart from or above the sciences. The philosopher is first of all a man of science who, based on the totality of the knowledge of his time, augmented by his discoveries, that is, based on an advance of understanding, passes to the construction of a system. This situation is no longer open to man. This privation causes great suffering to all men. The by-pass around this obstacle must be sought in multi-disciplinary teams. But one team, no matter how richly endowed or unified it may be, can only offer humanity the small prophetic tidbit it is waiting for--because a prophet lurks inside the philosopher.

[Question] Do you think there is a hierarchy of freedoms, or on the contrary, that to infringe any one of them is to compromise all the others?

[Answer] Freedom is an absolute which becomes plural when we speak of liberties of action. Thus freedoms are indivisible. If you begin to attack one freedom, you start a contamination which devours them all, one by one. Must one then conclude that there is no hierarchy? Some suppressions of freedom are more intolerable than others. I believe this comes from the nature of living, rather than the nature of morality or metaphysics.

The Faithful and Abortion

[Question] Freedom--for the living--to have an abortion?

[Answer] The denial of abortion proceeds from a transcendent conception of life, namely, belief in God. Man, who believes in God, cannot regard himself as the master of life. He is neither the master of his soul nor of his body. He is a conduit for life. He is not the creator of life. He participates in it. He procreates. Since he is not the proprietor of the life he helped make, the believer does not think he is free to destroy it. For the believer, abortion is a crime. It is an act of death in opposition to the act of love and life.

But do the believers have the right, in the name of a religious imperative, or simply as a matter of ethics in life, to impose their conception on all Frenchmen? Without a democracy built on responsibilities for each person, we at least have a republic which calls itself secular. We should try to make laws which take this into account. It is the believers' part to live their faith, not to try, by means of legal constraints, to impose their point of view on those who live by other values. Naturally, one should add to these reflections all the other aspects of interruption of pregnancy, the knowledge that the wealthy enjoy this right in fact but not the poor;

or the poor in abominable conditions with respect to the physical and moral health of the woman.

[Question] What is the worst crime?

[Answer] Is this how you want to get me to draw a hierarchy of crimes? To yield to hatred is the worst of crimes.

[Question] Is not the presence of foreigners a basic element in the wealth of nations?

[Answer] A nation is truly a nation when it can take the chance and give itself the chance to offer to a foreigner its nationality, when it can attract, fraternize, and integrate, and carry integration to its full extent of levelling out. In this regard, one must not be too severe with France on the debate over immigration law. First of all, there has been a true debate. There is thus a sensitivity to the values of brotherhood. If not, the most politically expedient action would have been to say: "France for the French! Throw out the immigrants, let us build barricades against unemployment." This debate, which was extensive, and not only a debate over words, but a debate over texts with votes, shows that there is among the French a democratic reflex. Must one call it humanist? (Even if the word is too shopworn, I will employ it all the same.) The debate on the presence of foreigners has shown that, in France, man is considered an absolute, which prevails over the state, which will never be his master.

[Question] What is your opinion of the European judicial zone which seems at first like a police zone?

[Answer] I go on record favoring a European judicial zone, even if I regret the way it was undertaken. One must all the same admit the logic and coherence of a construction. Do we want to create Europe, or not? We could be content with making of Europe only an economically organized zone. If Europe is confined to these limits, it will create confusion, because the economy is not large enough in itself. By consequence, this zone, when one starts to organize it, cannot simply remain an economic zone. It wants to become progressively political and juridical.

We should look to the European Court of Justice for legislation and creation of a European juridical consciousness, since the 10 peoples of the Community share the same essential civilized values, the same conception of man, and of society. By contrast, to consider the European juridical zone nothing more than the interlocking--were this even necessary--of the police forces, it not a good way to raise people's awareness of their common European identity.

[Question] What remains of your legislative efforts on the prison system? Is the prison a symbol and/or reality?

[Answer] Prison? Certainly a reality. Much less a symbol, if your question on this includes the idea that the fear and shame of prison are lived by the prisoner and his loved ones at much less intensity than previously. But imagination must search widely to find a remedy to take the place of prison. Meantime, it was necessary to have maximum security facilities as they were, at the time, the inevitable price of gaining public acceptance--and acceptance by the prison guards, whose ideas must also be heard, --of prison reform.

There was at this time an effort in this direction by the president of the republic, one which I supported with all my conviction. I recall the principle: "Prison is the privation of liberty, and nothing else." Thus, one should try, no matter how difficult it be, to eliminate from prison all which is humiliating to the incarcerated man. At the end of penal reform, I have not seen much appear in the way of reintegration efforts. I know that this goal, though important, calls for considerable financial resources.

However, I insist: the attempt at reintegration was implicit in penal reform, which was not confined to a liberalization, a loosening of the conditions of detention. Since there are prisons--and no society avoids it--we should multiply and diversify the facilities (it is costly, I know). We should adapt prison to the very diverse categories.

[Question] Do you not have the feeling that actual practice is slipping back from the texts which have already been voted?

[Answer] I have the impression that the momentum has not been maintained as clearly and vigorously as at the beginning. I do not know whether this is caused by budgetary reasons only, or by other motives.

Keep the Death Penalty

[Question] The death penalty?

[Answer] It seems evolution is going toward its non-application. The facts show this trend. Nevertheless, I would like to know--even if I prefer to think that the situation that I think I am perceiving is only one additional factor--whether there has not been a greater incidence of violence from self-defense, truly repression, than in times when the death penalty was applied, during this evolution.

When I was Keeper of the Seal, I presided over a meeting of the Commission on Penal Code Reform. It seems that it does not move more quickly. I do not know why. At the time of which I speak, it met frequently. It met the same question you were asking me about: the death penalty, or no death penalty? I had taken a position which exposed me to great criticism. It consisted in saying this: let us keep the death penalty in a special section for odious crimes. But what is an odious crime? Is there a crime which is not odious? To these objections, I responded in sociological terms: odious

crime is that which society does not accept. Is not justice rendered in the name of the people? From its collective consciousness?

Thus, following my proposal, the legislation would have moved toward a text of law that would have abolished the death penalty in most cases and would only have kept it for a few crimes. This limited preservation would be further subject to the decision to apply it, and to acts of pardon. I heard plenty of sarcasm! "What is this philosopher in the chamber who no longer exists or it has already died." And I came to understand that a number of my successors took at the outset the same general attitude toward the death penalty, in order, finally, to arrive at the same conclusion. My position started from the opinion that it was appropriate to begin with what was at this point in their evolution. In brief, to take an important step toward abolition by eliminating the death penalty in the majority of cases where this is still envisaged in our penal code.

[Question] What will you do yourself, if there is a bill to abolish the death penalty?

[Answer] I will stand for the time being on the position I gave to you.

[Question] Doubtless, but if you only have one article, "The death penalty is abolished"?

[Answer] I will urge that it be retained in some cases, those of which I just spoke.

9516

CSO: 3100

PCF REPORTS SUBSTANCE OF TALKS WITH DKP IN DUESSELDORF

LD121651 Paris L'HUMANITE in French 6 Feb 80 p 8 LD

[Unattributed report: "To Defend Detente and Consolidate Peace"]

[Text] German Communist Party (DKP) Chairman Herbert Mies met with PCF Politburo member and Central Committee Secretary Maxime Gremetz and PCF foreign policy section member Roger Trugnan in Duesseldorf on 4 February. The talks continued on 5 February with Karl Heinz Schroeder, directorate secretary, Hand Jakob Goldberg and Ernst Buschmann, DKP directorate members.

This meeting saw a fruitful exchange of views on the development of the situation in both countries, and on both parties' activity to rally the manual and intellectual working people in the struggle against the increasingly serious consequences of the crisis and against austerity and unemployment.

Particular attention was paid to developments in the international situation. In particular, the DKP and the PCF believe that NATO's decision to introduce new American missiles in West Europe is a serious threat to the security of the people. They would provide opponents of detente in the Federal Republic of Germany with nuclear weapon capability. Further, the two parties affirmed their joint will to pursue and intensify their action to prevent this decision being carried out and to impose an arms reduction in line with the aspirations of the French and German peoples. More generally, both parties believed that everything should be done to consolidate peace and to oppose imperialism's efforts against detente.

The talks showed the good relations of friendship and active solidarity uniting the DKP and the PCF. A plan of cooperation has been adopted to strengthen these relations.

CSO: 3100

'LE MONDE' REPORTS FITERMAN DENUNCIATION OF PCF COMRADES

Paris LE MONDE in French 12 Jan 80 p 32

[Article: "Before the Federal Secretaries of the PCF, Mr Fiterman Denounces "Several Comrades" Who "Wage Against the Party a Systematic and Shameful Struggle"--passage between slant lines published in italics]

[Text] Mr Charles Fiterman, a member of the secretariat of the central committee, presented before the assembled federal secretaries of the PCF on Thursday 10 January in Paris a report on the political situation and the tasks of the party. After having gone over the PCF's analysis of the international situation, Mr Fiterman said:

/"We deserve praise for the health of our party. The great majority of communists approve our policy and the way it is implemented. Doubtless there are questions here and there, but they come from normal democratic discussion, discussion it is necessary to develop and deepen to be convincing."/

Mr Fiterman continued:

/"Some comrades, whom one can count on the fingers of the hand, join together--whether willingly or no--with those who dream in this country of having an open field to pursue their ferocious policies. They are waging against the party a systematic and shameful struggle. Their attitude is in no way a communist attitude. They are arousing much legitimate indignation, growing anger, in our ranks.

/"Our adversaries are steeped in illusions. Their aggression goes beyond all measure and will turn back against them. They will neither bruise nor shake our party. Others have tried and broken their teeth. It will be the same this time.

/"These recent years, the communists have accumulated a wealth of experience. They have a solid party, living, growing stronger and improving ceaselessly in its democratic vitality. They will be eager for battle, because also of their confidence and determination to forge ahead by calling on all

workers, on all men, on all women who value what makes possible this party of theirs, and they will stand shoulder to shoulder with it when it is so violently and unjustly attacked."/

Mr Fiterman called on communists to oppose the /"powerful challenge backed by large media resources"/ with a /"strong and vigorous rebuttal"/ founded on /"the line of the 23d Congress"/, that is:

1) the struggle for peace and international solidarity; 2) the struggle against power politics, especially at the level of municipal councils of the union of the left; 3) promotion of the circulation of HUMANITE and HUMANITE-DIMANCHE; 4) the strengthening of the party, in connection with the meetings for reissuing [membership] cards for the year 1980. /"It should be clear,"/ said Mr Fiterman, /"that we need serious participation in these meetings. All experience shows us that these periods when the class struggle breaks loose can be periods when the workers close ranks around their party, periods of gaining many new members, and of high quality. For that it is necessary to go to the workers in the companies, the workers' quarters of the city, the quarters that are angry."/

9516

CSO: 3100

BRIEFS

AMBASSADOR TO WARSAW--Jacques Dupuy, French ambassador to Dublin, has been named ambassador to Warsaw in place of Serge Boidevaix. Mr Dupuy was ambassador to Cameroon before becoming assistant general director of cultural, scientific and technical relations at the foreign ministry. He was Dublin ambassador from July 1977. Jean Grossin, first consul at the French Embassy in Tananarive (Antananarivo) has been named ambassador to Lilongwe (Republic of Malawi). [Text] [LD081701 Paris LE FIGARO in French 5 Feb 80 p 4 LD]

AMBASSADOR TO ATHENS--The Greek government has agreed to the appointment of Philippe Rebeyrol as France's next ambassador to Greece. Mr Rebeyrol is at present head of the diplomatic mission in Tunis. He will replace Jacques de Folin in Athens. [Text] [LD081703 Paris LE FIGARO in French 6 Feb 80 p 6 LD]

CSO: 3100

EEC ENLARGEMENT WILL CAUSE DIFFICULTIES FOR INDUSTRY

Rome IL FIORINO in Italian 9 Jan 80 p 9

[Article: "EEC Expansion Will Endanger Competitive Position of Italian Industry"]

[Text] Italian industry is sharpening its weapons to face up to the considerable difficulties that will arise from expansion of EEC, with the expected and not-too-distant admission of Greece, Portugal and Spain to the European Economic Community. Of the nine countries now in EEC, Italy will suffer the greatest difficulties as a result of community expansion. The competition of nations which are candidates for admission (the first to be admitted within a year will be Greece) will be felt not only in typical Mediterranean agricultural production, but also--according to a Confindustria study--on the level of those industrial products using intermediate technology which constitute a characteristic element of Italian industrial structure.

The competition of the candidate-nations is expected to be concentrated, in the industrial sector, toward those products requiring medium to low technological content in which competition to a large extent is based on cost of labor differentials. And it is not to be overlooked that Greece, Portugal and Spain still enjoy benefits, particularly in terms of labor costs, in conditions of production.

Furthermore, the manufacturing industry of the three candidate-nations is concentrated in sectors marked by high labor intensity and by low technological content. Furthermore, regarding hourly pay of industrial workers, the community average is about double that in Spain and triple that in Greece and Portugal.

To deal with the challenge, Italian industry has no other road than to commit itself to a greater capital investment effort to further improve its facilities. But already there is a call for the possibility of applying protective measures during the transition period which characterizes the early years of membership for the purpose of avoiding the dangers that the

expansion will represent for some sensitive sectors. The Confindustria study hypothesizes as indispensable on the national level a concomitant action of government forces and business and trade union forces in order to solve all the problems that still hamper the progress of industrial policy.

6034

CSO: 3104

ENI STUDY ON ECONOMIC OUTLOOK TO 1985

Rome IL FIORINO in Italian 10 Jan 80 p 9

[Article: "Italian Economy Will Touch Lowest Point This Year"]

[Text] The ENI [Italian Hydrocarbons Agency] economic research and analysis service of the program and development office--through its research office for national and international business trends--has drafted a report on prospects for the Italian economy in the 1980-1985 period which is part of a periodic analysis of the evolution of the short-and medium-term economic cycle.

The profile that emerges from forecasts indicates that the Italian economy, after having dropped to its minimum point of the cycle in 1980, will show a cautious recovery in 1981. In the period 1981-1985 it will experience an increase in the gross product of 3.2 percent in M.A. [expansion unknown]. This growth, slightly smaller than that for the period 1976-1979, can be attributed to the positive progress of domestic demand rather than foreign demand, thus marking a reversal of the development model that has prevailed so far.

Within the framework of domestic demand, gross fixed investment--favored by exponential margins of profit--would exhibit a more accentuated dynamic than demand for consumption goods; the growth of investments seems, however, still insufficient to recover the terrain lost in the second half of the 1970's.

The phase of acceleration of inflation between 1979 and 1982--linked to the increase in prices for oil and raw materials and supported by the high cost of labor per unit of product and by tariff increases in 1979 and 1980--should be followed by a control of inflation which in 1985 should return to single-digit increases.

Trade should experience a more limited dynamic compared with recent years, with an expansion of imports higher than that of exports. However, considering the level of the volume of trade already reached, the improvement

expected in our terms of trade, the high positive incidence of intangibles (particularly tourism), our balance of payments should on the average register a surplus of 3 trillion lire per year, which tends to change in size in the last part of the period forecast. This surplus, however, would not prevent a process of depreciation of our money, which is destined to slacken after 1982.

The ENI forecasts were formulated taking into account some basic hypotheses relative to the evolution of the international economy. In particular, it was hypothesized that the average price of a barrel of crude oil would increase in real terms compared with the levels forecast for 1980, to an average annual rate of 2 percent in the five-year period from 1981 to 1985. This rate of growth will be significant but without strong cyclical variations. This is plausible only because of the concrete initiation of forms of cooperation between nations consuming and producing crude oil.

Among the data supplied in the forecasts, there emerges also a strong expansion of the current deficit in the P.A. [expansion unknown]. The effect of this on the gross domestic product would vary from 6.6 percent in 1979 to 10.4 percent in 1985, above all because of situations of a structural type (population increase, broadening of health insurance). These would result in a strong growth in expenditures for pensions, and health services, in addition to the forecast increase in wages of public employees.

This trend, even if it were to sustain demand and therefore production, would accentuate the imbalance between levels of production and consumption.

Finally, it is to be noted that a further element of difficulty comes from an expected increase in employment which is not sufficient to absorb the growth in the labor force; this would lead to an increase in the problems linked to the existence of a level of unemployment which tends to vary, during the period under examination, around 2-million figure.

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CSO: 3104

BARI CISL PROVINCIAL SECRETARY ANALYZES PROBLEMS OF SOUTH

Bari LA GAZZETTA DEL MEZZOGIORNO in Italian 20 Dec 79 p 11

[Article by Pasquale Schirone, Bari Province CISL Secretary General, "Everyone Sees the South in His Own Way"]

[Text] The atmosphere is heating up, but ideas on the future of a southern policy are still too diversified: This is the impression one gathers by observing what emerges from the recent debates on the subject. Let us not forget, this is a subject which should already have achieved its phases of constructive synthesis considering that we are on the eve of the expiration of Law 183 on extraordinary aid and we therefore risk making bad law. And this would not be the first time.

Two opposing analyses were made almost on the same day at Bari by the Communist Party and at Cosenza by Confindustria. The mayor repeated some positions in the columns of LA GAZZETTA DEL MEZZOGIORNO, the first time in an interview with the CISL federal secretary in charge of problems of the south, Paolo Sartori, and later in an article by the CISL secretary general, Pierre Carniti, and an interview with his colleague in the CGIL, Luciano Lama.

It is symptomatic that Lama, speaking of the "errors committed by the trade union in the south," would affirm that one of them was that of "at times satiating ourselves with big platforms without establishing a direct link." At the same time Giuseppe Vacca, top rank communist leader, in complete disagreement credits "the entire workers movement" precisely with "the launching of territorial disputes." This disagreement, if carried to its opposite consequences, is alarming. Regarding affairs of the south, the Italian left should no longer have diversified strategies if it wants to avoid polemics which cannot fail to be reflected in a further delay and in further confusion as even Giacobuzzo recalled a few days ago.

An Error in Assessing Prospects

At Bari the speakers thundered against the institutions of extraordinary aid. They asked for the abolition of the Ministry for Extraordinary Aid to

the South and of the Fund for the South with which an error in assessment of prospects was made. At other times we--along with so many others--tried to clarify these prospects.

If the affairs of the south in recent years went badly, we certainly cannot attribute the blame to the instruments used--whether they were the fund or the ministry--but to the philosophy which inspired the choices, and to the resulting laws, and which made those instruments act.

We agree fully with those who complain about patronage and corruption. Carniti was very explicit in his article when he condemned those who he called "the social groups which benefit from underdevelopment."

But no one can contest that the Fund for the South began to make a mess of things from the time it was transformed into a sort of little political parliament (with a council composed of about twenty or more persons, then luckily reduced to six) and it was closely tied with the regions which--so everyone says--did not function as they should have.

No one can contest that the Ministry for Extraordinary Aid to the South was born and exists as a ministry "without portfolio," that is with authority to coordinate and bring together overall state aid in favor of the south.

Only To Get Money

Why don't we have a confrontation on basic questions instead of making polemics on these aspects which are important but derivative? If we all agree in maintaining that aid to the south must be a qualifying aspect of general planning for national development, why don't we try to go further in the definition of methods and terms of this integration?

Some things have been said and could even be shared: For example, the advisability of making fewer outright grants and more appropriations of funds for the administration of projects already undertaken. Many industrial firms were created only in order to get money (and today the banking consortiums are called upon to support them) and not to produce.

Therefore we ask for more help in administering the projects, a greater presence of external economies and complementary services, support for more research.

And then, what should we say about the infrastructures? Today the anti-pollution administration of the Port of Naples, or the maintenance of the Matera-Ferrandina superhighway, cannot be paid for.

Can we conclude that the Fund for the South is to be abolished only because it financed roads and industries but did not finance their administration? Let us try instead to go back to the source of this error and

to correct it by changing methods and procedures making them more efficient. Puglia cannot, for example, pay for these delays or errors since it sees the implementation of its irrigation projects postponed indefinitely.

The Regions Are Not Sufficient

Can we then confidently affirm that from now on the regions should administer extraordinary aid by following the experience that developed in the first 10 years of decentralization and independence? At Bari, the Communist Party was not able to explain why, not even during the much touted period of the political "understandings" and of the broadened majority, the regions did not function well. Then it is not even a question of political color but of something larger which is at the source and which can be explained with an observation that is gaining ground only too late: That nothing can be invented and nothing can be imposed by law unless an intimate and deep-rooted conviction has been achieved beforehand.

In Italy, instead, too often the reverse happens and the consequences must be paid for immediately. Ten years of unsatisfactory or limited functioning of the regions are a grave error. Let us try to correct this at least now, aiming at direct aid and changing the mechanisms which are a de facto obstacle to the full employment of resources, launching straightforward and more comprehensible laws, correcting the distortions and bureaucratic delays, aiding the communities in making expenditures.

A final aspect to be taken into account is that of the range of action that the southern policies of the coming years must achieve. It is important to focus on the discussion concerning the territory rather than the sectoral aspect, in order to avoid once more falling into the myths of the 1960's: Up with industrialization and down with agriculture.

6034

CSO: 3104

MANEUVERING TO RESOLVE SICILIAN CRISIS DESCRIBED

Palermo GIORNALE DI SICILIA in Italian 27 Dec 79 p 12

[Article by Piero Fagone: "PCI-PSI Meeting Tomorrow on Regional Crisis"]

[Text] A little more than a week after the resignation of the governor, the complex mechanism for the solution of the crisis has been started. The crisis continues to appear extremely difficult and has been worsened, certainly in reference to timing, by the coming Christian Democratic Party [DC] congresses.

The first appointments are already contained in the agenda. The regional DC executive has been called to a meeting on Friday and the meeting between the PSI [Italian Socialist Party] and the PCI [Italian Communist Party] delegations are expected to be held on the same day. This meeting, which is expected to be held in the afternoon, will be preceded by a meeting of the PSI regional executive.

So far, the DC leaders have avoided taking an explicit and detailed position. If, on the one hand, the Andreotti group has shown, through the note published recently, it was favorably oriented toward a "government of autonomist unity," which would also include the communists, the Regional Secretary Nicoletti took a very broad view of the problem and put it on a basis which, more than political, was cultural and he limited himself to stating that in any case there will be no reversal of positions.

The Andreotti group, in advancing its proposal, exerted leverage on the original and specific characteristics of the autonomy, which was understood not only as a specific institutional reality, but also as a political factor which should permit various forces freedom of maneuver in relation to their Roman central offices.

Nicoletti, however, speaking at the recent conference of Sicilian communist cadres, tried to overcome the limits of formulas by pointing out that experiences in Sicily in the recent past were born not out of a schematic comparison of formulas but from the capacity to become linked to the truer aspects of the history and problems of the Sicilian people. And this is precisely the terrain on which it is necessary to move because it offers

the conditions to create a new political unity and social alliances. He added that the rationale for an alliance must be sought in a new "culture of understandings," because to take this for granted, or as already existing, is not a way to achieve it.

But the communists, who are always intent on playing the card of the government, asked the DC to be clearer and they invited it to state whether its leaders considered that the discrimination so far exercised against them in reference to admission to the government council had been eliminated. That is not all, they also pose an entire series of conditions for the realization of that "government of autonomy" that is supposed to see them directly involved and which is expected to mark a "turning point" in the life of the region.

They seem to be supported by the PSI in this direction. The PSI opened the crisis, giving as a reason the need for an "advancement" of the political picture and the need to bring it up to the level of the gravity of the island's problems. For the PSI, the step the Sicilian political situation must be made to take--regionally as well as locally--refers not so much to the individual forces as to the entire left. The presence of the left must exert increasing influence to the point of beginning to think now of a new political direction of the region itself. After all, the PSI said it explicitly in the document recently approved by its regional committee: There is no going back, and it is unthinkable to merely revise formulas that have already been tried and discarded.

Within this framework, the margins of maneuver for the solution of the crisis appear greatly reduced and the eventual negotiation--at least regarding the PCI and the PSI--must be channeled in a single direction. The imminent meeting between the two parties--in addition to the general assessment of the political situation and of the prospects for solving the crisis--will be also dedicated to singling out a common program platform. It is precisely on a single basis that the PSI and PCI intend to present themselves in the confrontation with the other parties, and above all with the DC. In regard to the latter, it is not known if and when it can solve the problems that face it. Under such conditions, despite insistent requests by the PCI and the PSI that the crisis be kept short, everything appears difficult to the point of losing hope for a unity or coalition government within a reasonable length of time.

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CSO: 3104

CGIL, CISL, UIL SPONSORED DEMONSTRATIONS IN PUGLIA

Bari LA GAZZETTA DEL MEZZOGIORNO in Italian 13 Dec 79 p 13

[Article: "What Puglia Construction Workers and Laborers Want"]

[Text] City and area-wide demonstrations were held yesterday in Puglia by agricultural and construction workers. The demonstrations were called within the framework of militant action organized by the United Federation of CGIL [Italian General Confederation of Labor], CISL [Italian Confederation of Workers Unions], and UIL [Italian Union of Labor] concerning the dispute over taxes, public utility rates, housing, for the development of the south, for the control of public financing and reform of social security.

Parades and meetings were held in all provinces.

In Capitanata, construction workers and laborers met at San Severo and Cerignola (where Associate Secretary General Montrone of FISBA [Italian Salaried Farm Laborers Federation] spoke). The forestry workers of Gargano met in Foresta Umbra.

A large area-wide demonstration including the cities of northern Taranto Province was held at Ginosola. There, at the end of a 72-hour strike called by the farm laborers organizations concerning problems of the labor market, Mario Mezzanotte, associate secretary general of the Federbraccianti [Farm Workers Federation] spoke.

Numerous city and area demonstrations were held at Terra di Bari. Particularly important was the one at Gioia which ended with a meeting between a delegation of workers on strike and the councils of the mountainous community and that of San Michele. Joining in the meeting was the Confcoltivatori [Farmers Confederation] and the Coldiretti [Farm Owners Confederation] of the area. A parade was held at Corato. In addition, workers asked for and held meetings with local administrations in all the large workers centers.

Parades and mass meetings were also held in Brindisi Province. Two large area demonstrations at Scorrano and Guagnano were held in Lecce Province. There were demonstrations and parades in the other cities

The CGIL, CISL, UIL Regional Federation and the category of Puglia construction workers added the objectives set during the days of regional action on 30 October and 21 November to the militant objectives of the national federation.

In particular: Regarding the farm workers in the meetings and demonstrations satisfactory note was taken of the early successes registered in the social security dispute (3-year extension of the vital statistics lists which was also extended to the disabled pensioners; the chamber Labor Committee's political commitment to adopt measures concerning the problem of the freeze in support of agricultural workers).

The commitment for rapid approval of Law 1125 on agricultural social security (which established the extension of the vital statistics list, social security parity, etc.) was stressed, as was a policy of planning (implementation of planning laws) in the agricultural sector. It was further demanded that the regional government immediately put into effect the area plans, the plans for adequate irrigation, etc.

Construction workers demonstrated to pressure the regional government to maintain commitments adopted on 6 November and that is:

--A document that would contain a survey of the state of implementation of national and regional laws concerning residential construction and public works;

--Concrete measures for coordination with other supra-regional agencies (ANAS [National Road Board], ENEL [National Electric Power Agency], SIP [Italian Telephone Company], etc.);

--Installation of the mixed region-trade-union committee for regional audit of the supplementary plan for the transfer of construction workers to the integration fund;

--A map of the Casmez [Fund for the South] projects being completed;

--Documentation of the state of preparation of the second biennial (1980, 1981 of the 457/1978 law).

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CSO: 3104

PCI MORE CRITICAL OF BASILICATA REGIONAL GOVERNMENT

Bari LA GAZZETTA DEL MEZZOGIORNO in Italian 13 Dec 79 p 8

[Article: "Extension Change for New Regional Administration Needed"]

[Text] Potenza. While this legislature is winding up its work in view of the spring administrative elections, relations between the parties are also deteriorating progressively. The communists, above all, are assuming a detached stance in a way that we could describe as drastic. After their experience on the level of the regional planning council and their later detachment, the communists today are clearly deployed on the opposite front. From that position they make strong attacks on the regional government to stress a need for an "extensive change" that would involve "methods, directions, forms of government."

In other words, the PCI executive and its regional group, which very recently were concerned with the local political situation, believe that what is needed is a "new regional council which would involve direct participation, with responsibilities for government, of the Communist Party and the entire left." This deals with--as was shown in a meeting--"a necessary change to initiate a program of social and civic rehabilitation of Basilicata." This is an objective and a possibility that the PCI, in an epic style, indicates as "an alternative to the failure of the regional government administered by the DC." These are objectives and possibilities which it intends to pursue with the support of forces, energies and abilities which until now were supposed to have been "suffocated" by the Christian Democrats.

And with the same support, of those persons who, within the DC, look to a new political leadership for Basilicata. Even though--it is pointed out in a note--the fundamental condition "for achieving a change in the present situation and for isolating the more conservative forces within the Christian Democratic Party," is, "the unity of the leftist forces."

The communist committee and regional groups, as after all had been foreseen, even after recent events in the regional council, harshly attack the council which is accused of "inability and inadequacy in dealing

with the problems of Basilicata." According to the communists, having exhausted the experience of the planning accords, the executive "immediately showed its inconsistency," by describing its position on fundamental questions as being for "the practice of postponement and inaction." They cite as an example, "the delays in aid to the Senisese, the status of the Bradanico project, the verdict on regional expenditures, the lack of a policy concerning problems of protection of the factories and of employment."

In the opinion of the PCI leaders, this shows the need for a change that would favor a rehabilitation in the region that "the present council is not capable of guaranteeing."

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CSO: 3104

PSI-PCI HOLD CONSULTATIONS ON REGIONAL CRISIS

Messina GAZZETTA DEL SUD in Italian 27 Dec 79 p 14

[Article by Michele Cimino: "PSI-PCI Consultations on Government Crisis"]

[Text] Palermo--Political activity will resume tomorrow in view of the solution of the government crisis. During the morning, the Italian Socialist Party [PSI] regional executive will meet to draft a series of proposals regarding the new government program.

Tomorrow afternoon the PSI will submit their proposals for examination by the regional secretariat of the Italian Communist Party [PCI], with whose leaders--also in acceptance of the appeal by Berlinguer last Saturday--they will meet.

The leaders of the two major parties of the left intend to reach an agreement concerning a common platform to deal together in negotiations with the Christian Democratic Party [DC] and with the other parties of the majority for the establishment of the new regional government.

Tomorrow afternoon the regional executive of the DC will meet.

In the first place, the members of the DC leadership will call a meeting, as prescribed by the party bylaws, of the regional congress for the election of the 60 delegates who will participate as representatives of Sicily in the national congress which is scheduled to meet on 28 January. Immediately afterward, however, the members of the DC leadership will examine the regional political situation in the light of the resignation of the Mattarella government and of the maneuvers taking place among ranks of the left to force the DC to accept a government which would also include the communists.

The regional assembly will meet again on 10 January for the election of a new president and of the new government council. But, except for last minute surprises, by that date negotiations among the parties for the establishment of the new government should still be up in the air, and therefore it is almost taken for granted that there will be an empty election which will permit the political forces to gain another little bit of time.

As is known, it seems in fact to be the intention of the DC to arrive first at the national party congress in order to give decisions regarding the Italian crisis an official cast.

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CSO: 3104

CRAXI CRITICIZED BY LEFT WING OF CALABRIAN PSI

Messina GAZZETTA DEL SUD in Italian 27 Dec 79 p 4

[Text] The conference of the Mantica section, which together with the Celibato section constitute the two strongest PSI [Italian Socialist Party] rank-and-file centers at Reggio, concluded the PSI section conferences.

The Reggio socialist leaders and intellectuals are members of these two sections and here it was inevitable that there would be the most interesting, and in some ways, the most bitter confrontation between the various party members. Here in fact the "leftist" component, headed by Lombardi and Signorile, which at first had supported the common policy-program document presented by some of the Craxi supporters and by the Mancini supporters, took a clearly different position on the basis of sectional conference documents that were critical of Craxi but, above all, of the Calabrian regional executive.

Professor Cambareri, past secretary of the PSI Reggio federation and expresident of the Third Regional Council Committee spoke on behalf of the left and accused the party secretary of having abandoned the strategy agreed upon at the Turin congress and of not having worked consistently in the direction of profound renewal of the organization and administrative methods of the PSI.

Cambareri devoted the most important part of his speech to an examination of the national crisis which is getting increasingly worse in the south, is becoming dramatically acute in Calabria and absolutely unbearable in the city of Reggio and in its province.

Cambareri said that in the Calabrian regional administration the party line moves within the framework of a masked center-left, supports the isolation of the PCI [Italian Communist Party] and makes the cover of moderatism and inactivity of the DC [Christian Democratic Party] more impenetrable. It is this line that links the PSI to a council-inspired administration of power which in no way bears the sign of the socialist presence and differs in no respect from the DC administration.

The region, according to Professor Cambareri, has not expressed any need for planning and efficient use of aid such as in any way to scratch the perverse mechanisms of underdevelopment; has not decentralized the effective delegation of power to the local institutions to the point of overturning and deeply changing Italian society, to the point of rediscovering the "citizen" who is the authentic and defrauded depository of sovereignty. The regional institution is thus presented as having been emptied of any effective political meaning, that is, such as to involve and produce new relationships of political, social, and cultural power.

This leads to the need for a clear and ready proposal by the PSI in Calabria: Either an emergency regional government which would include the PCI in the executive, or the passage to the opposition to resume the lines of mass struggle, justified in the south and in Calabria more than in the north by an inflation which is destroying the existing fragile economy, by the fearful youth and women's unemployment, by the economic, social, cultural degradation, by the shameful persistence of a perverse mechanism of economic development which assumes underdevelopment as a condition of its administration and function.

The PSI left thus intends to break, according to the opinion expressed by Professor Cambareri, the thick network of mediation and postponement, of inactivity and passing the buck in which his party has been involved for some time.

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CSO: 3104

CGIL REGIONAL SECRETARY ADVOCATES UNITY OF LEFT IN SOUTH

Messina GAZZETTA DEL SUD in Italian 27 Dec 79 p 2

[Article by P. Napoli, Reggio Calabria CGIL Secretary: "Opinions"]

[Text] We are publishing this article, which may not coincide with the view of GAZZETTA DEL SUD.

The economic and social situation in the Calabria region is worsening every day. The lists of unemployed grow longer; the continuous rise in the cost of living cuts into the miserable income of the majority of the population; the increase in the discount rate at the banks reduces the already low investment capacity of honest and hardworking businessmen and therefore further diminishes opportunities for work.

For the so-called "points of crisis" (but isn't everything in Calabria a point of crisis?), Liquichimica, Sir, Montefibre, etc, there is an increasing tangle of possibilities for a rapid solution that would put the factories back into production. The 10-year plan for building construction is stopped. In agriculture, in view of the further worsening of the crisis which for decades has afflicted primary cultivation (olive groves, vineyards, citrus groves) and the continuous degradation of interior areas, the regional administration has large sums of residual liabilities. The government still has not advanced any proposal for Gioia Tauro aside from estemporaneous interviews with this or that minister.

In this situation, it appears that the absence of the central government (of the present one and of those in the past) is irresponsible, and every day the ignorance and paralysis of the regional council becomes more alarming.

At the same time, for a considerable period of time, the low level of political debate has been declining and now it consists of skirmishes, of coasting, which serves only to increase the fortunes of this or that manipulator of the regional council or of some chief of patronage. In all cases, there is a lack of an adequate political tension capable of indicating solutions suitable to the drama that the Calabrian people are living through.

We should not be surprised if, as a consequence, the symptoms of lack of confidence and of retreat increase; if the old and new personalities of

patronage, who were responsible not only for abandonment of the region but also for the tense moments democracy suffered in recent years, begin to grow strong again.

On the positive side, we have the militant workers movement which still holds fast and in which there persists a strong desire to fight to change the direction of economic policy and of employment, to impose in substance a policy of effective change as is demonstrated by the large demonstration on 21 November at Gioia Tauro, even if we must see its limits and some signals that are not positive (low attendance of some categories, from some areas, diminished militancy and ability in political aggregation, the characteristic trait of the recent past).

In such a serious and alarming situation where the only positive signal is the permanence of the people's desire to fight, it must be understood that what decides the fate of our region is the unified aggregation of the broadest possible social and political forces--of all the social forces which are objectively interested in a process of profound renewal and of all the political forces available to fight actively for this change.

The unified trade union overall is in a position to be a force for change, capable--as it has done until now--of mobilizing large masses and fighting for advanced choices of economic policy.

What I am anxious to emphasize, however, is that the forces of the trade unions, even though they are large, cannot be sufficient alone and there is need for broader aggregations. After all, I do not believe that there is in Calabria a force which by itself can say that it is sufficient to impose a policy of renewal.

Keeping in mind the process of disaggregation which took place the past year between the political forces, it seems to me evident that precisely in order to reverse this tendency it becomes urgent and necessary to find the key to the problem and begin to reconstruct a unified fabric capable of reopening the possibility of once more developing broad aggregations in the political and social field.

Only the leftist forces can be the pole of this aggregationsince they are more linked, due to their mass base and the political choices they have made, with the social forces that are interested in change.

On the other hand, the periods of broadest unity between the forces of the left were also in moments when there was built a very broad movement of militancy among the people which had an influence on the reality of the south and of Calabria.

In the course of recent months, the largest parties of the left, the PCI and PSI, have begun a debate that is certainly positive in the region. But can it continue to be merely a debate at a distance? I believe that the parties

of the left must rapidly emerge from diplomacy and begin a dialog that is close to the concrete problems of the Calabrian people without exceptions, without prejudice, and without preliminary conditions.

Speed is necessary. Many efforts, which will influence the future of region, will be made in the coming months and each must do its part to the utmost.

The south, Calabria, need unity today more than ever. This demand must be answered positively without further delay.

6034

CSO: 3104

PCI GAINS IN ST MARCO IN LAMIS CITY COUNCIL ELECTIONS

Rome L'UNITA in Italian 17 Jan 80 p 4

[Article: "PCI Advance in a Puglia City"]

[Text] St Marco in Lamis--The PCI registered a considerable increase--from 28.9 to 40.1 percent--in elections for the renewal of the city council at St Marco in Lamis in the province of Foggia. It was 12 percent of the vote. This brilliant result gave the communists two councillors more than the previous ten. The DC [Christian Democratic Party] lost. It dropped by 3 percent from 37.4 to 34.9 percent. The PSI [Italian Socialist Party] together with the PCI advanced from 7.8 to 9.4 percent. The PSDI [Italian Social Democratic Party] rose from 8.5 to 9.2 percent. The neofascists dropped from 7.7 to 6.4 percent. As a result, the new city council consists of 12 communists, 11 DC members, 3 socialists, 2 social democrats and 2 Italian socialist movement members. The new communal council was elected on 12 and 14 January.

6034

CSO: 3104

BRIEFS

PCI PROTEST IN BRINDISI--The PCI council group, in protest against postponement of the discussion of the general regulatory plan (a postponement that was proposed and later approved by the majority: DC [Christian Democratic Party], PSI [Italian Socialist Party], PRI [Italian Republican Party]) last night occupied the hall of the municipal council and part of the mayor's office. The communists accused the mayor and the majority of being arrogant because they were not allowed to fully express (even through a vote) their thoughts on the proposal to postpone. Late in the evening, while the representatives of the majority continued their work in the council auditorium, the members of the communist group were joined by numerous neighborhood council members who were also members of the PCI. [Text] [Bari LA GAZZETTA DEL MEZZOGIORNO in Italian 19 Dec 79 p 2] 6034

CSO: 3104

WESTERN UNITY, NATO ARE BEST GUARANTEE FOR PEACE

Rotterdam NRC HANDELSBLAD in Dutch 10 Dec 79 p 7

[Article by E.H. van der Beugel, H.N. Boon, A.P.K. Hartogh, C.L. Patijn, J.H. van Roijen, D.P. Spierenburg, W. Wierda: "Western Unity Best Guarantee for Peace"]

[Text] The discussion in the Netherlands about the NATO proposal to modernize the European nuclear defense was so hazy that government and parliament had to find their way in an intellectual fog, such as we have not often gone through before. Reaching a well thought out decision was hampered to the utmost by the fact that the IKV [Interchurch Peace Council] and important minorities in the large parties brought up for discussion another question than that which the Netherlands faced in NATO. The Netherlands discussion and the chamber vote of last Thursday have not changed much about the problems which the western alliance faces and about which decisions will be taken, with or without the Netherlands, which affect us directly. Would it not be possible to clarify this problem somewhat in the uncertainty which now prevails in Dutch politics?

It is not generally understood that the main opponents of atomic armament and the advocates of government policy are discussing on very different levels and therefore talking at cross purposes. The IKV and its supporters uphold the idea that mass annihilation by use of nuclear weapons is not justifiable in any way, that consequently they should not be used as threat and that therefore we should not possess nuclear weapons.

Conscience

Another way of thinking applies for the advocates of government policy. Starting with the existence of nuclear weapons,

it involves creating and maintaining such international conditions that none of the parties to them will want to start a nuclear war. The fact that no conflict has broken out on a world scale since 1945, about questions which previously would have led to a world war, is also due to this.

The one feels itself bound in conscience to drastically reject such a horrible means. The other considers itself just as much bound in conscience to strive for political stability and strategic balance, because it is convinced that only through that can peace be assured between the nuclear powers in the framework of international relationships in the eighties. This contradiction is fundamental: The adversaries in this discussion both consider themselves bound by a categorical imperative.

However, the Netherlands faces another problem: not a decision for or against nuclear armament as such, but a proposal for a change in the already existing nuclear defense.

The considerations on which the NATO proposal is based are the following:

The deterrent function of nuclear weapons is only effective with a fully maintained balance between the parties and this was seriously affected in recent years. The superiority of the Warsaw Pact countries in conventional armament has already existed for some time. What is new is that the Soviet Union has achieved parity with the United States in the category of long range nuclear weapons, a fact which could affect the automatic nature of American assistance to the European allies, which had been assumed up till now.

Balance

It has now become very important that because of an increase of Russian middle range nuclear armament for years, the strategic balance in the European theatre has been disturbed, a fact which together with the two other factors mentioned, could become a danger for the preservation of peace.

Because of this, a proposal is now under discussion to produce and set up 572 middle range nuclear weapons in Western Europe during the eighties.

The aim of this proposal is to achieve a certain balance with the Soviet Union in this category of weapons in a number of

years. The level at which such a balance must take place can and will be negotiated with the Russians. But balance--on whatever level--cannot be achieved without an act of will on the part of the NATO countries to take the necessary measures. We must now begin our own modernization to eliminate a dangerous imbalance. And this is impossible without a fundamental declaration of readiness by a sufficient number of NATO countries to allow the weapons on their territory.

Forming opinions about this matter--the merits of modernization itself and the way in which this must be presented to the Russians--is now complicated to a great extent by the IKV action, which has acted like a jamming station.

The IKV is opposed to the new nuclear weapons, because it is opposed to all nuclear weapons and a vegetarian is just not a good adviser about the merits of various types of meat. The emotions which the IKV has unleashed with its actions, are thereby hardly relevant for the political problem, which the Netherlands faces at the moment.

With all respect for the motives of the opponents of nuclear armament, it must also be said that frequently the manner in which an action is conducted does not lead to a good analysis of the reasons for and against. A recent example of this was to be seen in the REFORMED NETHERLANDS of 24 November, where the IKV accused those who wanted to follow the government, of being under the influence of idolatry, myths and lies.

Moderation

Is the specific NATO proposal which is now involved a responsible means to gain control of the international situation in the coming years and is it a contribution to lasting moderation by all parties in the future?

The discussion should have to cover that. And how can we reach a genuine agreement with the Russians about this extremely sensitive subject? The advocates of the NATO proposal will presumably have no ready answer for such problems, but only a few convictions which guide them in the search for acceptable solutions. It involves the following points:

a. Anyone who has negotiated with the Russians in any field whatever, has had to learn the historic lesson that results can be achieved with the Soviet Union only on the basis of a combination of resoluteness, unanimity and equivalent (not necessarily equal) power.

b. One can differ in opinion about the offer which the NATO side will have to make to the Russians and that is still uncertain at this time. Presumably a wide-ranging proposal to the Russians is necessary, then special negotiations about creating a balance in the middle range distance.

c. The question about the best place to locate the new weapons is a technical question. In an article in DIE ZEIT, C.F. Von Weizsacker (who likewise considers an answer to the Russian challenge necessary) recently proposed not locating these new weapons on land, but at sea on submarines and other ships. The merits of such a proposal and the question where these weapons should be set up are not to be discussed here; this can only be decided by experts.

d. Whatever the form of negotiations chosen, the main thing must be that we try to make it clear to the Soviet Union that in a world in which the nations are not ready to give up their freedom of action, a balanced distribution of power between the big powers and their allies is the only way to prevent serious conflicts. No one benefits from an armaments race, not even the Soviet Union. But, on the contrary, no single country wants to be subjected to nuclear blackmail.

Guarantees

We are of the opinion that the NATO proposal offers better guarantees for peace and security than unilaterally giving up the idea of nuclear parity. Therefore England, the FRG, Italy and Belgium have already expressed their approval of the NATO proposal. The Netherlands has no monopoly on wisdom and conscience, but only the dangerous inclination to want to make moral decisions, without considering the situation, the interests of others and world organization in the atomic age. The government and parliament must not endanger western unity in this matter, for it is the best guarantee of peace, as long as NATO countries think and act rationally. And there is no reason to doubt it.

8490

CS0: 3105

MASSIVE SURINAMESE IMMIGRATION TO THE NETHERLANDS CONTINUES

Amsterdam ELSEVIERS MAGAZINE in Dutch 12 Jan 80 pp 38-39

[Article by Sig. W. Wolf: "Half Surinam Migrating to the Netherlands"]

[Text] Over 26,000 Surinamers will settle this year in the Netherlands. In doing this, they want not only to escape the tragic date of 25 November, when the door on the Netherlands "paradise" slams, but especially the gloomy developments in their own country. Great bitterness and apathy are characteristics of what is still left of Surinam.

The speaker of the Surinam Parliament, Emile Wijntuin, looked unusually gloomy on the TV screens of thousands of Surinam living rooms on New Year's Day. His traditional New Year's address had little of the usual joviality and lack of restraint, characteristic of Surinam dignitaries who mount the rostrum on holidays. The cheerful tone of the carefree, jaunty, Surinam life-style was also missing. Emile Wijntuin criticized not only "the rising criminality in the country, the negativism in our development and behavior and the lack of application which Surinam workers show in their jobs." He was also disturbed about Surinam idleness. The migration to the former motherland assumed such huge proportions last year, that in his opinion, government and parliament now must finally give the matter thorough attention. Wijntuin advocated speedy contact between his parliament and the Dutch Parliament. They should investigate together how "the migration" can be checked legally. For example, they can consider a visa requirement for Surinamers, until 25 November 1980, when flexible admittance regulations between Surinam and the Netherlands end.

Wijntuin's statement about the migration of Surinamers to the Netherlands was remarkable. A leading Surinam politician admitted for the first time, without mincing matters, that the exodus of his fellow countrymen is ruinous for the country. Until now, in spite of the continual complaints of business and the crammed planes from Paramaribo to Schipol, one had acted as if nothing was going on. Even Prime Minister Arron repeatedly indicated that there was not the slightest danger. "I hear that many people are leaving. But I never go to Zanderij Airport to count them," he ironically reported, when his attention was called to the mass nature of the exodus.

The Surinam authorities responded to the recent wave of emigration just as quietly as in 1974 and 1975, when over 53,000 Surinamers took to their heels before independence. Contrary to all expectations, independence itself did not end the exodus. In 1976, 55,000 Surinamers came to the Netherlands, while the figures were 45,000 in 1977, 7,000 in 1978 and 12,000 in 1979. It is expected that before 25 November, the sad date on which the door slams on the Netherlands "Paradise," another 25,000 Surinamers will land at Schipol. Then a total of 175,000 Surinamers will live in the Netherlands and that is half of the entire population.

The results of the exodus on the Surinam economy have been noticeable for years; the labor shortage is so great that many businesses have had to close. The large enterprises complain bitterly about the departure of their best people and the impossibility of filling the vacancies with somewhat suitably trained personnel. Other businesses must operate with foreign workers from Guiana and Haiti, with it being estimated that 30,000 of them who now work in Surinam.

Attracting foreign workers is no calamity in itself. For the unattractive jobs are partially filled. However, it is disturbing that impoverished people are thus shifted from one country to another in the Caribbean area. The foreign workers are willing to work hard under the burning sun, particularly in the palm oil and sugar cane plantations, for the low wage of 200 to 300 Surinam guilders per month, without social security. A foreign worker proletariat is increasing alarmingly fast beside the Surinam proletariat.

It must not be concluded from the arrival of the foreign workers in Surinam that there is a shortage of unskilled workers. The foreign workers, accustomed to a lower standard of living in their homeland, are deliriously happy in Surinam

with a lower income. In this way, they depress the wage rates to such a minimum low level, to the joy of business, that unskilled Surinam workers must be satisfied and willing with little. The result is consequently additional unemployment among the unskilled workers.

Besides the high unemployment (40-50 percent of the working population), which increases yearly by 1.5 percent, there also exists because of the exodus to the Netherlands a severe shortage of professional people and technically and administratively trained personnel. Last week Surinam employers reported there was a shortage of 7,000 building trade workers, as a result of which housing construction is seriously hampered. One of the largest employers, the Netherlands Billiton Company, reported a large number of vacancies in a new yearly survey. Among the 37 employees of that company who left last year for the Netherlands were outstanding professional workers and well paid staff officials. An irreplaceable fund of knowledge and experience has been lost for business and consequently for Surinam.

Whoever still has a feeling of responsibility in the collapsing country finally looks anxiously towards the future. In spite of guaranteed development help, which the Netherlands is going to pump in there, to the amount of 3.7 billions by the end of 1985, Surinam's social economic condition is extremely serious. The majority of the population reels around in a vicious circle of absolute hopelessness. Two-thirds of the Surinamers live below the poverty level of 350 Surinam guilders per month for a family of father, mother and four children. There is not only a chronic lack of work, but the available housing is far below standard. Greater Paramaribo has the eyesore of the 24,000 shanties, in which with six person families, 144,000 people live under the most miserable conditions. This is much too much when you consider that 175,000 people live in Greater Paramaribo. Life in a shanty is also, as a rule, an unhealthy life. A large part of the Surinam population suffers from parasitic diseases and intestinal disorders. Lack of protein, shortage of vegetables as a result of stagnating agriculture and horticulture and the constantly higher prices of the basic necessities of life have resulted in children, especially, suffering from malnutrition. According to the World Health Organization, half of the children in Surinam admitted to hospitals are undernourished. This leads again to slow learning and poor performance. The stagnating economy, the continuously rising price of the daily bag of groceries and the still uneven and lop-sided distribution of income, are the strong stimulants which cause the

people to take to their heels to the Netherlands, to the extent possible. The trend of the exodus steadily picks up new impetus. The land simply lies idle, mainly because of lack of confidence in the future. The better times, predicted loudly with independence, now seem further away than ever.

This dismal development was emphasized last month by a peppery memorandum of the apolitical and highly recommended Standing Committee of Christian Churches under the chairmanship of Bishop Monseigneur Dr A. Zichem. In 1978 this committee had sharply questioned the government and parliament. A historic moment for Surinam, because previously criticism of the Surinam government mainly came from the opposition and inside parliament. In 1978, the Committee of Christian Churches urged a better use of development funds, which according to the committee, should especially help the tens of thousands of paupers, not the social elite. The cry of distress from the churches was of no avail. Government and parliament acted as if they had been hurt and haughtily ignored the church protest. The churches again rang the bell on 1 December 1979. A second memorandum again pointed out, in an even sharper tone, Surinam's need. In it, they blamed the government for the fact that profits of development operations mainly benefited foreign or international corporations established abroad and, only to a slight extent, the people. Until now, the unemployed, people with low incomes, invalids and the elderly have not been given any hope of improving their living conditions.

Development at home still takes place without any kind of consultation or discussion with the inhabitants of the area in which the projects are carried out. Very drastic decisions, which often amount to an abrupt encroachment on historic customs and native culture, are taken without their knowing it. The strongest in Surinam crowd around the fleshpots of available development funds, in order to get as large as possible a share and profit for themselves legitimately or otherwise.

Against the background of this situation, the churches consequently consider it logical that many seize the opportunity to leave Surinam and try their luck elsewhere. "The exodus of thousands of Surinamers to a society which, in their opinion, offers more safety and security than Surinam, affects all efforts oriented toward the future." In these emphatic terms, the church leaders call for an end to all corruption, petty party conflicts and neglect of the poor and unfortunate.

The hard nut which the churches cracked with the authorities resulted in, after heavy pressure from the rest of the

community, government and parliament finally agreeing to the christian leaders' request to sit at the consultation table. But even the bravest optimist does not believe that the erratic, declining curve of Surinam development, will be corrected energetically. The lack of change and failure to fulfill promises have done their fatal work. Bitterness about the deteriorated and ill-defined social, economic and political situation is great and ineradicable. Surinam, indeed, has plenty of opportunities to be a good and liveable country for all its inhabitants, but they certainly must be positively mobilized and motivated. The stagnation in the development of the country along the whole line and the increase of poverty have practically extinguished the spark of hope for better times, which glowed after proclamation of independence. Discouragement and apathy among the people are increasing just as the tendency to anticipate it and to escape, although with a heavy heart and with the illusion of being able to build a happy life in the Netherlands.

8490

CS0: 3105

TWO NEW OIL FINDS SOUTHEAST OF STATFJORD

Oslo AFTENPOSTEN in Norwegian 7 Jan 80 p 5

[Text] Statoil has completed drilling the fourth well on the delta structure in the so-called gold block, 34-10 southeast of Statfjord. At the same time, Elf Aquitaine Norge A/S has found oil and gas in its first exploratory drilling in block 18-10, which is approximately midway out in the Norwegian portion of the North Sea.

As for the Statoil discovery, oil and gas were found in a rock formation of the Jurassic period, and a production test showed that the well would produce 4580 barrels of oil per day and 60,000 cubic meters of gas per day. The oil directorate reports that additional drilling will be necessary before it can be established whether the field is commercially viable. The gold block is entirely Norwegian, with Statoil as operator holding 85 percent, Norsk Hydro with 9 percent and Saga Petroleum with 6 percent.

The well in which Elf discovered oil lies in a geological continuation of neighboring block 17-12, where Phillips has previously made a discovery. The Elf discovery is situated in an area with concessions from early in the seventies but there has been no drilling there until now because other areas were more interesting.

9287

CSO: 3108

NORTHERN OIL CONTRACTS TO HAVE IMPORTANT SPINOFFS FOR INDUSTRY

Oslo ARBEIDERBLADET in Norwegian 20 Dec 79 p 7

[Article by Willy Olsen: "Foreign Oil Companies With New Industrial Projects"]

[Text] Several interesting industrial projects will result from the allocation of oil blocks north of the 62d parallel. ARBEIDERBLADET has learned that the following are some of the expected projects. The French oil company Elf Aquitaine will cooperate with Kongsberg Vapenfabrikk on production of aircraft parts. Also, Elektrisk Bureau will participate with production of telephone equipment. The American oil company Esso is participating in several projects, but one appears to stand out, and that is cooperation with the Norwegian firm Mycron on data handling. They intend to invest in a business in North Norway. Esso is also discussing and evaluating other projects. In addition, the American oil company Conoco will contribute about 100 million kroner to research and development. This is also a comprehensive program which can have great importance for the future of Norwegian industry.

The three companies, Elf, Esso, and Conoco were the foreign companies which received the largest allocations for oil exploration next spring off North Norway. It was no great surprise that these 3 were chosen. ARBEIDERBLADET published advance notice of this early last week.

All the companies indicated their satisfaction with the allocations. There is little doubt that there will be many "yes" votes on their applications in the Department of Oil and Energy.

Norwegian Stamp

There is a strong Norwegian stamp on the division of the first three blocks north of the 62d parallel. Statoil will naturally be a participant in all the blocks with 50 percent, and if there is a major discovery its ownership can increase to 80 percent according to an established sliding scale. Statoil will be the operator on one of the blocks, and Saga Petroleum and Norsk Hydro will be the operators on the two others. Saga will operate off Trondelag, while Hydro and Statoil will begin drilling farthest north.

Administrative Director Asbjorn Larsen at Saga told ARBEIDERBLADET, "We are satisfied. This program suits us well, as we had hoped for just such a distribution."

Saga gets a 10 percent share in the block at Haltenbanken where that company is the operator, and it gets 5 percent in one of the blocks farthest north where Statoil is the operator.

Norsk Hydro also gets shares in all three blocks. Fifteen percent in the block where it is the operator, 5 percent in Saga's block and 10 percent in Statoil's block.

General Director Odd Narud of Norsk Hydro said that he is well satisfied. He also said that they expect to begin drilling in May.

Foreigners

Chief of Information Jostein Haukali at Elf told ARBEIDERBLADET, "We are pleased that we are to participate in the area that we placed highest on our priority list. Elf will cooperate with Saga at Haltenbanken."

Carol Taylor of Esso Exploration told ARBEIDERBLADET, "We are looking forward to working with Statoil off Troms. That is one of the blocks that we wanted the most, and we are pleased."

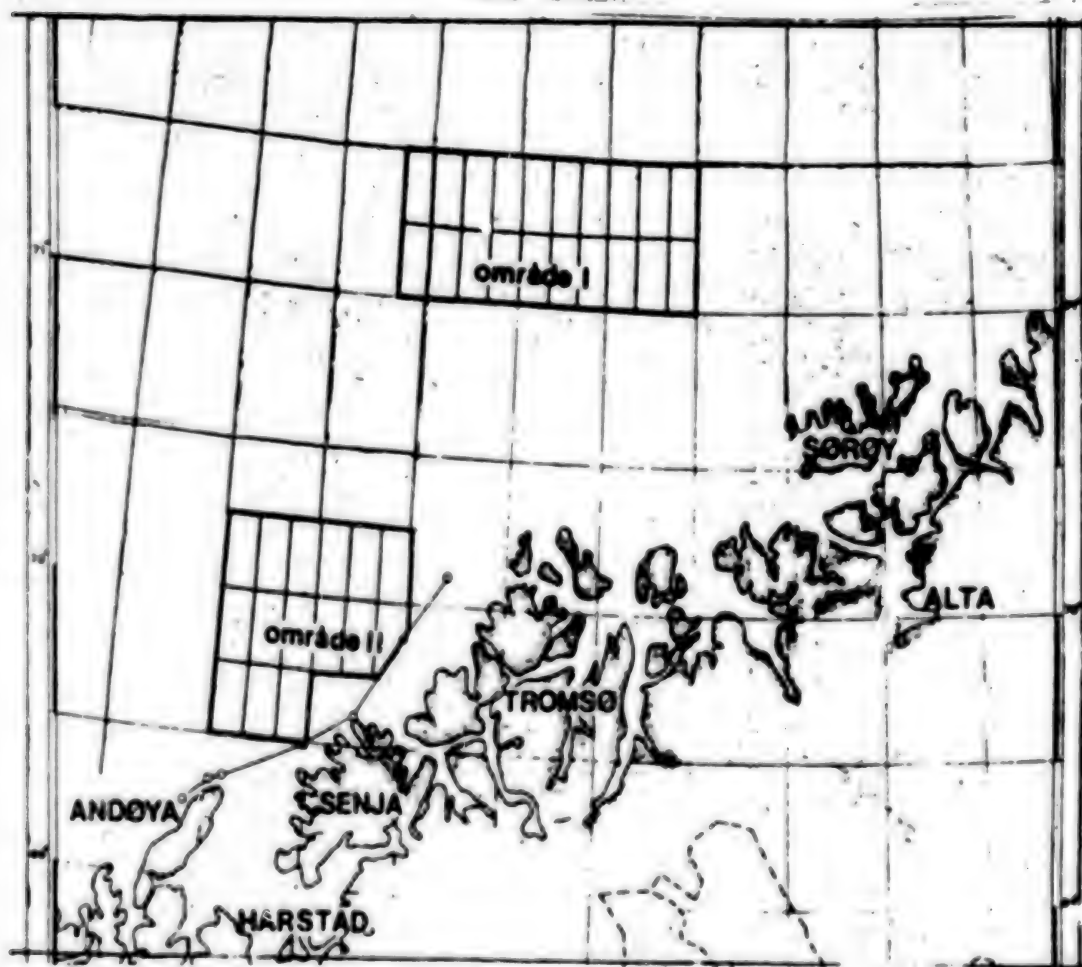
All of the participating companies are not yet known. Negotiations are continuing. Esso will have 25 percent in the Statoil block. Conoco will have 25 percent in the Hydro block, while Elf will have 20 percent in the Saga block.

Volvo Participation

ARBEIDERBLADET has learned that it is certain that Volvo Petroleum will participate for the first time on the Norwegian continental shelf. The company will have a minor share in one of the three areas.

Protest

The first protests from the fishermen say that they can support the choice of the block at Haltenbanken, but they are very critical of the two blocks which lie off Troms. Their reaction is that two worse blocks could not have been chosen and that oil drilling activities in these two areas will disturb the fishing there. Spokesmen for the fishermen also say that these two blocks are too close to each other and this will increase the difficulties.



I området I, lengst nord av disse to, skal de første boreriggene være på plass i mai måned. Stat-oil og Hydro blir operatører på disse boreriggene. Fiskerne protesterer mot de to blokkene som er valgt og mener de ligger for nær hverandre på viktige flakebanker.

In area I, the northernmost of these two, the first drilling rigs will be in place in May. Statoil and Hydro will be the operators of these rigs. The fishermen are protesting against the choice of these two areas, saying that they are too close together on important fishing banks.

9287

CSO: 3108

STATOIL TO GET 50 PERCENT SHARE IN NORTHERN OIL BLOCKS

Oslo AFTENPOSTEN in Norwegian 21 Dec 79 p 4

[Text] Yesterday the letters went out offering participation in the first three blocks to the oil companies which are being considered this time. The Department of Oil and Energy has officially announced which companies will be the technical assistants and what shares the Norwegian companies will get. Saga will drill on Haltenbanken with Elf Aquitaine as technical assistant, while Statoil will have Esso and Hydro will have Conoco at their blocks in the Troms I area.

Statoil has a share of 50 percent in all the blocks, and a sliding scale which can go up to 80 percent if the discovery warrants. At block 6507/12 on Haltenbanken Saga is the operator and has 10 percent, Elf Aquitaine has 20 percent and Norsk Hydro has 5 percent. At block 7119/12 at Troms I Statoil is operator and Esso is assistant with 25 percent. Hydro is also offered 10 percent and Saga 5 percent. The last block is block 7120/12 where Hydro is the operator with 15 percent and Conoco is the technical assistant with 25 percent.

In addition to the companies which are named a number of other companies have received offers of smaller shares in the above listed blocks. The department expects replies from the companies in early January 1980 and the blocks will probably be divided up in a cabinet meeting in the middle of the month.

"At Norsk Hydro we are very pleased with the tasks that we have been assigned and the shares we received in the search for oil in North Norway," said General Director Odd Narud in response to an inquiry from NTB [Norwegian Wire Service].

He said, "Norwegian companies are released from the obligation to pay for Statoil's exploration costs. Even if the terms continue to stipulate that a sliding scale will be used, we are pleased to note that we can later come back to a review of this decision, and we hope for a favorable final outcome."

Further, General Director Narud at Norsk Hydro expects to begin drilling in the north during May. Hydro will establish an office in Harstad.

Editor Martin Dahle of the Norwegian Fishermen's Association said in a comment to NTB that the choice of the drilling sites off Troms and West Finnmark is the worst possible from the fishermen's standpoint. The two blocks which are assigned to the Statoil group and the Hydro group both are situated in the area where the fishermen desire most of all to prevent drilling activity.

9287

CSO: 3108

STATOIL TO TAKE ON CONSULTING JOB FOR CHINESE

Oslo AFTENPOSTEN in Norwegian 21 Dec 79 p 4

[Text] Statoil will undertake a consulting job for China's state-owned oil company. According to an agreement signed in Peking by Director Arve Johnsen on Tuesday, Statoil will give assistance in technical, legal, and economic matters.

The Chinese oil company is especially interested in Norwegian experiences relating to concession policies in the North Sea. According to the agreement Statoil will be paid consultant fees for its services. The agreement does not provide for Norwegian participation in exploration or production of oil on the Chinese continental shelf, according to information provided to NTB [Norwegian Wire Service] by Statoil.

Negotiations have been going on since early autumn, and the agreement is the result of the trip which Minister of Oil and Energy Bjartmar Gjerde took to China one year ago. At that time he briefed the authorities in Peking on the Norwegian law concerning the continental shelf. The Chinese interest in the law led to its being translated into Chinese in its entirety.

9287

CSO: 3108

'DIARIO DE NOTICIAS' PUBLISHES EXCERPTS FROM GOVERNMENT'S PROGRAM

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Jan 80 pp 3, 6

[Text] The preparation of the legal system for the referendum, an amendment to the Electoral Law and a revision of the Law on Political Parties are some of the measures called for in the Sixth Government's program in the area which comes under internal administration. According to the document, these proposals have been made "within the framework of the Constitution, and based on the experience that has been gained."

Justifying these measures, the government's program considers the "preparation of the legal system for the referendum to be a direct process for consulting the voters on essential issues related to the life of the society or the organization of the state." With regard to the amendment of the Electoral Law, it is considered "a means of achieving maximum capacity for the voicing of the people's desires and for the most extensive participation of the Portuguese citizens who have settled abroad." As for the revision of the Law on Political Parties, it is aimed in particular at "making the duty to publish the respective annual accounts effective."

The government's policy in the realm of internal administration will be based on "a reinforcement of the local government system." Several measures have been planned for this purpose, including an improvement in the Law on Local Finances and the creation of the National Council of Municipalities.

The administrative division of the territory will be reviewed and, in this respect, a plan has been devised for regionalization of the continent, following the publication of a "white paper."

The document states: "The policy to be implemented requires some measures of an institutional nature, such as new legislation on Portuguese nationality and foreigners, as well as action related to the security forces and services, namely, the GNR [Republican National Guard], the PSP [Public Security Police] and the SNB [expansion unknown]."

Foreign Affairs

The program declares: "The government believes that Portugal must pursue a consistent foreign policy, founded upon the values of the Portuguese nation and the type of society to be implemented internally, for the positions to be assumed in the international area."

Stressing the fact that "the foreign policy will be devised and executed by the government, because it lies within the latter's jurisdiction, according to the terms of the Constitution," the document lists the following general guiding principles:

The European and Atlantic destiny of Portugal as an essential element of an historical, cultural and geostrategic nature, and a determining factor in our country's solidarity with the West; the universal dimension of the Portuguese people as a political and human basis for the development of the nation's historical patrimony in the world; the defense of international peace, security and social justice, as an ethical criterion for the relations among peoples, in the service of liberty, democracy and human rights; unity of the foreign policy, as an operational norm required for the greater dignity of the state and the consistency and efficacy of the international action to be taken by Portugal, both of which are incompatible with the practice of any parallel diplomacy.

The fundamental options will be, first, "Portugal's complete integration into the European Community as rapidly as possible, and the resultant political involvement in the necessary negotiations." It adds that the second fundamental option, "linked with the former one, is that of fidelity to the Atlantic Alliance."

"The reinforcement of the mechanisms for defense and promotion of the Portuguese language and culture, and of the teaching of Portuguese abroad, is the third fundamental option of the government, which will attempt to have the Portuguese language, in time, become an official or working language in the international organizations of which Portugal is a member."

The program continues: "The government also believes that this issue should not be considered from only a national standpoint, because the Portuguese language is not the exclusive property of our country; it is a common patrimony of many states and nations. This sense of a common patrimony is another factor which, with others, will cause particular attention to be given to the relations with other Portuguese-speaking countries."

"Portugal has everything to gain by maintaining and intensifying these ties based on a state-to-state relationship, without interference in the internal affairs of either side. In this area, the government will also try to be pragmatic in particular; and hence, while supporting the expansion of trade relations and of scientific and technical cooperation with the Portuguese-speaking countries, it will not underestimate the importance attached to the economic and financial contention that still exists."

The document also observes: "The Portuguese nation cannot shirk its responsibilities toward East Timor and, using the diplomatic means that it deems most appropriate, it will strive on behalf of the self-determination and human rights of the people of Timor, whose moral and physical suffering deserve all of our solidarity."

"It states, in addition: "The pursuit of the goals that have been devised requires the reorganization of our diplomatic service."

In the area of emigration and Portuguese communities, it will start "an intensive policy for protection and support for the emigrants," including an effort to "make the legislation and administrative practices of the various countries entail more just and equitable solutions for the Portuguese."

The measures to be adopted include the creation of a council of Portuguese communities in which the latter may have representatives.

National Defense

The first comments made in the government's program concerning national defense are: "The government has adopted a complete, integrated concept of the policy on national defense. In fact, in its threefold objective of insuring the country's independence, the integrity of the territory and collective security, the military dimension and influence on the latter is not exhausted, nor confined to a sectorial concern."

The document notes that the period of constitutional transition which we are experiencing "does not allow the government to use the Armed Forces, either directly or under its political guidance, as one of the most pre-eminent means of national defense. During this phase, the military institution has a relative, but considerable autonomy."

However, when this period has ended, "The country must have the organizational structures that will afford an easy return of the Armed Forces' political orientation to the civilian authorities democratically chosen by the people. Hence, to study and, insofar as possible, pave the way for those structures, is a predominant concern of the government."

Meanwhile, laws on the organization of national defense and on military service will be submitted, and the government is willing to consider the reequipping of the Armed Forces.

Administrative Reform

The government's goal in this area is to transform our public administration, over the medium term "into a modern, European system that is competent, dynamic and exemplary; one that will serve the country usefully and foster its development."

In view of the fact that the public administration "is undergoing a very serious crisis and is not, as it should be, the effective tool for the security, progress and prosperity of the Portuguese people," the executive branch "will attempt (within the limitations of the budget and without detriment to the battle against inflation) to improve the economic and social status of the public administration workers, their careers and their individual and collective rights, as well as their overall working conditions; to expand and streamline the system for occupational training and self-improvement of civil servants; and to start the teaching of public administration sciences in the universities, among other measures." However, there will be "a special endeavor to combat corruption," for which purpose "a significant group of measures will be submitted in a bill on administrative ethics, to be sent to the Assembly of the Republic."

Justice

In the realm of the justice system, it announces plans for "a revision of the most extensive area of laws on judiciary organization (...) from a realistic standpoint, leading to the dignification of the administration of justice, and at all times with the critical contribution of both magistracies which support it."

Meanwhile, it will promote "the reorganization of the services which come under the ministry and which still lack it, as well as operational efficiency for all of them." The planned reorganization will promptly affect "the prison services, the registry and notary services and the services for protection of minors."

Another point cited is "the defense of the citizens and their property against crime which is increasing to a disturbing degree, with methods that are increasingly unexpected and violent," which "demands the cooperation of the judiciary police with the other agencies that have functions of a policing nature incorporated into our ministries. The cooperation of the judiciary police that has already begun through legislation will be continued."

And the program adds: "The preparation of the new Penal Code and the Law on Share Companies will be completed. The other preliminary work on the revision of the major codes will be intensified."

Economic and Social Policy

The government "will foster, coordinate and streamline public investment, and it will unequivocally stimulate cooperative and private investment," according to the government program for economic and social policy, which contains several subdivisions for determining the sectorial policies that establish the goals to be attained in this area.

Within the context of the broader objectives stated in the document, emphasis is placed on the initial assertion that "the economic policy will attach priority to the resumption of investment which has proceeded very unfavorably in recent years, having even shown a negative rate of growth in 1979." It adds: "The increase in the population's purchasing power will afford an increase in private consumption exceeding that which occurred during the past few years."

From this standpoint, the program declares: "In the resumption of activity, we shall take into account the goal of curbing price increases and the limitations imposed by the need to keep the deficit in the balance of current transactions and the foreign debt under control." It then cites the contribution which the entry into the European Communities "could make to the consolidation of democracy in Portugal" and to the "economic and social development of the country."

The government goes still further in its proposals: "It will also attempt to improve the fulfillment of social needs, particularly in the areas of health, housing, education, transportation and the protection of the environment," areas wherein the document says "there have been obvious shortcomings and the backwardness with respect to Europe has increased."

To reduce the imbalances in the distribution of income, combating the causes which have contributed most to its exacerbation in recent years, is another task in which the government is engaged, as well as giving an impetus to regional development, and backing the activities of the local government organs. It is on the basis of these hypotheses that the policy lines in the various sectors of the executive branch have been determined.

Fiscal and Budgetary Policy

In the realm of fiscal and budgetary policy, "the battle against tax evasion and fraud" is an area to which the government "attaches major significance," specifically stressing that "the phenomenon has, of course, reached large dimensions, with intolerable consequences in the areas of equity, economic efficiency and respect for democratic legality."

For this reason, in view of the fact that the studies relating to tax reform are "still in the incipient phase," the government "will attempt to approach the problem so as to overcome the stagnation in which the plan is submerged, proposing immediate corrective measures that appear to be necessary, and hastening the effort to introduce the single tax on the income of natural persons, so that this will be possible within the next 2 years."

The reduction of public spending will be one of the bases for the executive branch's action in this area, an action that will also include the subsidies to public enterprises "strictly limited to proof of the usefulness of their services from the standpoint of social benefit." And, in a consistent manner, all these factors will be considered in the budget bill for 1980, soon to be submitted to the Assembly of the Republic.

The gearing of the monetary policy to the goals established for the overall economic policy is also mentioned in the document presented by the government, which also states: "The total expansion of credit will be scheduled on the basis of the needs for financing economic expansion and the goal of a slowdown in price increases, and constant monitoring will be maintained of the progress of the exchange situation, so as to guarantee the country's external financial stability." It is also emphasized that "the financing requirements of the public enterprises will be planned, so as to insure their compatibility with the overall expansion of credit, the financing needs of the private sector, the budgetary policy in the area of subsidies and appropriations for statutory capital, and the program for resorting to external capital markets, and the ban on allowing the credit that is obtained to be diverted to meet current operating deficits."

The Workers' Purchasing Power

"Investments and Planning" is a subchapter in the program, wherein it is stated that the government "will foster, coordinate and streamline public investment, and will unequivocally stimulate cooperative and private investment." In this area, it cites the intention of making use "of the capacity of the commercial banks in finding investment opportunities and opportunities for medium and long-term credit, in association with the special credit institutions."

Moreover, in relation to income and prices, "a reduction in the inflation rate and an increase in purchasing power are priority goals," and it is stressed that the public enterprises "have, in recent years and through the use of budgetary subsidies and price increases, placed an unjustified burden on the Portuguese people."

The wage policy to be adopted will also serve the purpose of increasing the workers' purchasing power. And because there is an effort to make "real wages increase in 1980 (...), the collective bargaining should not take place in such a way as to counter the government's attempt to curb inflation."

There are also detailed comments on European integration, inasmuch as the government regards it as "an essential factor to be considered in determining the economic policy." In this regard, one notes in the program the comment that, "our agriculture will be confronted with an entirely new situation:" emphasizing that "the opportunities that are afforded it will be vast if they are properly explored."

Guidelines for Agriculture

The government has paid particular attention to agriculture as well as fishing, and the program establishes the goals to be attained and the respective guidelines, which include, specifically, within the context

of the first of the aforementioned subsectors, several types of support. In accordance with this position, the government cites the action that it intends to take in the realm of the use of land, from the "accelerated continuation of the regulations" for the Agrarian Reform Law and the determination of the statutes on the different types of agricultural enterprises to the incentive for breaking up the land into plots and group agriculture, and the "resumption of the turnover of state land to small farmers, field hands, tenant farmers and agricultural workers; provided they wish to become established as farmers for individual or cooperative farming, or other collective types of farming."

As for fishing, the executive branch similarly intends to back the ship-owning companies, and also to promote the increased size of the fleets.

The government has three objectives in commerce: to guarantee a normal, regular supply of essential products, to control prices and to protect the consumer; whereas in the tourism sector, among other plans, mention is made of increasing the national hotel capacity, and also intensifying the policy of creating new poles of attraction.

Similarly, guidelines are cited for the industry and energy sectors, for housing and public works, for urban planning, transportation and communications. In the latter category, emphasis should be placed on the intention to lend "a capacity for intervention to the local government organs, both in planning and exploitation, and in the expansion of the systems and the infrastructures themselves."

Labor and Social Security

Insofar as the labor policy is concerned, the government "recognizes and guarantees the associations representing the workers and managers, and their complete independence from the state," although without failing to make a reformulation of the "regulations in effect on the schedules and operation of business firms" in the pursuit of its goals aimed at modernizing the economy, and democratizing and humanizing the world of labor. Also, "in addition to a revision of aspects of the legal system for collective relations (...), reconsideration will be given to the process of ante-judicial settlement of individual disputes."

In the area of social security and health, the government also has extensive plans, whereby it is likewise proposed "to devise legislative measures and to take action in the interministerial area to aid the family, with particular emphasis on large and economically weak families."

Education and Quality of Life

"Education and Quality of Life" is the topic of the third and final chapter in the government's program. Included therein are the guidelines for

its action in the sectors of education, science, culture, the mass media, the environment and the arrangement of the territory. Noteworthy among the legislative measures that have been announced are those related to the creation of a new educational system and those on the statute on the press.

For example, with regard to education, the government considers as a priority the task of preparing a proposed charter for a new educational system, to be submitted at the current session of the Assembly of the Republic, which however would not interfere with legislative measures that allow for the normal operation of education.

In addition to the regulations on private and cooperative education, and the "restoration of an atmosphere of competence, confidence and tolerance in school activity," it announces the elimination of the year of preparatory instruction and its inclusion in educational establishments, and the immediate revision of the content of the programs in the areas which "overtly minimize or abuse the principles of a free and open education."

Moreover, "carrying out a markedly reformist intention," as it stresses, the government will study an integrated, medium-term program for expansion of the educational facilities in the country, with the implementation of an adult education plan and a plan to eliminate illiteracy. The conditions for the execution of this program will be carefully weighed, and an emergency plan for school buildings and equipment will be launched.

The government will submit to the Assembly of the Republic a bill on special education; and, insofar as school training is concerned, extension programs and facilities for supporting the working student will be initiated.

The attachment of value to the teaching profession is also a goal cited in the program, which states that there will be an intensification of the "methods for the encouragement of teaching and of the overseeing functions in particular." For example, it announces the continuation of the unification of teaching groups and flexibility among the cadres, administrative decentralization and regionalization, and the creation of a National Council on Education, as a higher organ for revision and consultation in the area of educational policy, through which those mainly concerned with the educational process will have a formal hearing.

The government also announced its intention of supporting the teaching of Portuguese and professional training in the colonies of emigrants; and, in the area of university education, the promotion of advanced training in education and regional technical training.

With regard to scientific research, the reorganization and increased dimensions thereof are announced, as well as the preparation of the statute on researchers.

In the sports sector, the program indicates the priority attached to the protection of amateur sports of all kinds, noting that the government will pay particular heed to the fostering of gymnastic sports activity among the youth, especially that in the educational system.

Culture

"On the one hand, to preserve and not destroy what we have, and, on the other, to decentralize, democratize and release the creative energy of individuals and of the society" are the fundamental lines on which the Sixth Government has based its cultural policy, according to the program.

Thus, its main objectives are to put an end to the destruction of the country's cultural heritage; to attach value to the existing cultural assets, specifically, playing an active role in the advertising and formation of national museums, libraries and monuments; to support the most important forms and manifestations of cultural activity; to promote the spread of culture in all parts of the country; and to encourage artistic creativity.

In the chapter on culture, the government also emphasizes that its policy must be "an instrument to combat any desires for an official culture, and those who, because of their totalitarian training, have been or are attempting to impose it."

Mass Media

In the mass media sector, the government will pursue a policy of "truth and pluralism," attaching value to it "insofar as work and competence take precedence over sectarianism and party loyalty."

Pledging to uphold the rights and liberties guaranteed by the Constitution, particularly the rights of the opposition, the government will prepare bills on the statute on the press, on the press system and on the revision of the laws on radiobroadcasting and television.

More specifically, a review will be made of the status and coverage of radio and television in the autonomous regions, as well as of the mechanisms for the exchange and coordination thereof with the continent. Moreover, financial aid is planned for the press, through simple, effective means, as well as an improvement in its distribution among the emigrants. As for the regional press, the government intends to grant it more effective assistance.

Environment

In the realm of order and environment, the government has announced, through the respective State Secretariat, the intention of studying a general law for prevention and control of pollution, which would govern the quality of the interior, estuary, maritime and subterranean waters, as well as preventing the pollution of the air and water by certain industrial facilities,

and noise control; and, finally, it establishes the tolerable levels of noise pollution and pollution from the gases emitted from motor vehicles.

Moreover, the government also considers it "essential to publish new legislation in the areas of the use of pesticides and both chemical and pharmaceutical products, specifically in the food industry, as well as the use, manufacture, formulation, marketing, transportation and storage of toxic or dangerous products."

2909

CSO: 3101

GOVERNMENT'S ECONOMIC AIMS MAY NOT BE ACHIEVED

Lisbon EXPRESSO in Portuguese 19 Jan 80 p 14

[Article by Francisco Sarsfield Cabral: "Excessive Optimism"]

[Text] The government was not prudent in listing as its priority economic objectives "reduction of inflation and increase in buying power."

At any rate, the results of the next election will probably always be determined, to a considerable degree, by the prospects for an improvement in the living standard of the voters that open up in the meantime. But, in committing itself formally to restrain the rise in prices (setting a goal of 20 percent, compared with 24 percent at present) and to put more money in the pockets of the Portuguese people, the government took over as its own, conferring definite dignity on them, the criteria with which many voters were probably spontaneously ready to judge it. Besides, differently from what was happening, for example, to a reduction of the foreign deficit, achievement (or nonachievement) of these objectives is controlled by the everyday activity of persons.

Now doubts are increasing concerning the possibility that the government will keep its promise in the short time available to it. The next price rise of fuel is inevitable, affecting more severely, perhaps, products that are lower than the international prices (like gas oil and, especially, fuel oil), but whose price increase will have a repercussion on countless activities.

Even with this price rise and owing to the well-known depletion of capital of the Supply Fund, the increase in prices of the up to now so-called market basket products will have to be appreciable, to say nothing of the difficulty, without an exceptional agricultural year (which is not anticipated), of attenuating significantly the inefficiency and speculation characteristics of business circles.

Of course, a decrease in the professional tax and the surtax are proposed as an offset (which can only be symbolic, under penalty of frustrating expectations built up for months). And also the process of indemnities

is going to be accelerated, facilitating their channeling into investments. The only thing is that all that may find expression in another expansion of the deficit in the state's money (resulting in a stimulation of the inflation whose decrease has been promised) and retrocession with regard to an imbalance abroad. Some persons, more cynical, may say that these effects will be felt only after the election, but it is risky to bet on the distraction or ignorance of the voters to whom very concrete promises have been made.

Theoretically, an improvement in productivity is the solution to this difficult situation. The government is placing much stress on the need for public enterprises not to pass on to the consumer all the increases in production costs and it promises not to fail to divert budget allocations intended for increasing statutory capital to cover operation deficits. But prospects are not opening up for putting an end once and for all, by means of those increases, to the present depletion of the capital of many public enterprises, reflected in an abnormal aggravation of financial burdens for which the consumer ends up paying.

The great productivity effort, however, must be made at the level of public administration itself, starting with the Tax Administration, from which a reduction in the present alarming rates of tax evasion is expected. Public services, disorganized and poorly paid, are the main place where the state's money is swallowed up. Will the government be capable, in 9 months, of revealing an administrative ability that will make it possible to obtain important gains in this field? Doubt is legitimate.

Thus, it might have been more reasonable to anticipate only the creation of conditions that, without necessarily finding expression yet in an improvement in the standard of living, would provide a basis for the conviction that there is progress toward that improvement. The government, however, has gone farther and has promised that, once inflation has been attenuated, the Portuguese people would see their buying power increased in the next few months. This seems to me to be excessive optimism and it may be a mistake politically.

10,042

CSO: 3101

SED SENDS GREETINGS TO PCP ON ELECTION RESULTS

Lisbon AVANTE in Portuguese 17 Jan 80 p 2

[Text] Added to the large number of greetings sent to the Portuguese Communist Party in connection with the results achieved in the recent interim election and the local government election, the Central Committee of the Socialist Unity Party of Germany [GDR] has sent a message, signed by Comrade Erick Honecker, secretary general, to the CC [Central Committee] of the PCP and to Comrade Alvaro Cunhal. The following is its content:

"On behalf of the Central Committee of the Socialist Unity Party of Germany, I send to the communists and to all the democratic forces assembled in the United People Alliance our warm congratulations for the significant results obtained in the elections for the Assembly of the Republic and for local governments.

"These results, achieved under difficult struggle conditions, are evidence of the great confidence of the masses in your party as consistent defender of the democratic conquests of the April 1974 Revolution.

"I take advantage of this opportunity to reaffirm the fraternal bonds and the firm solidarity of the SED with your party's struggle."

10,042

CSO: 3101

BRIEFS

EMIGRANT REMITTANCES--From January to September 1979, remittances sent to our economy by Portuguese workers residing abroad amounted to 86.3 billion escudos, representing an increase of 74.6 percent, in comparison with the same period in the previous year, according to the latest data provided by the Bank of Portugal. It is stated, in an analysis of the origin of those receipts, that workers emigrated to OECD countries sent to our economy close to 73.2 billion escudos, or about 84.8 percent of the total value. In comparison with the first 9 months of the previous year, that value increased by around 71.2 percent. With regard to the origin of the other amounts of those savings, 7.3 million escudos were sent from the United States and Canada, representing in relative terms the largest increase in comparison with the previous year: 106.8 percent. From the rest of the world, close to 5.7 million escudos were sent to Portuguese banking establishments. [Text] [Lisbon EXPRESSO in Portuguese 12 Jan 80 p 13]
10042

CSO: 3101

EDITORIAL ARGUES IN FAVOR OF NATO MEMBERSHIP

Madrid ABC in Spanish 11 Jan 80 pp 3, 4

[Editorial by Publius: "Spain in NATO"]

[Text] Spain's association with the North Atlantic Treaty and its membership in the military organization of that Alliance is the most serious foreign policy issue of all those that Mr Suarez' government must confront. Although there is every indication, thus far, that the government does not want to reach the next legislative elections without having affiliated Spain with the Atlantic Alliance, nevertheless the campaign aimed at securing the consent of the public for joining it has not begun. Our rulers do not appear to be aware of how urgent the need for our entry into NATO is. They are wasting precious time, and may be jeopardizing the chances of our membership.

It is true that Mr Suarez has recently made some gestures which reveal his desire for Spain to join the Atlantic Alliance. A very different attitude is held by the Socialist group which, in a motion dissociated from law in the Congress of Deputies, concentrated its view of Spanish foreign policy on the "denuclearization" of our country, as well as "demanding the dismantling" of the medium-range nuclear missiles in the USSR! The German Social Democratic foreign minister, Helmut Schmidt, has maintained a more self-assured and more realistic stance in his recent intensive campaign on behalf of the security of his country and of the Atlantic world. During his official visit to Spain, he must undoubtedly have told Felipe Gonzalez that the position of the Socialists is seriously hampering the shift toward the Atlantic that the president of the government wishes to make in Spanish foreign policy.

The preamble of the North Atlantic Treaty of 4 April 1949 states that, with that Alliance, the signatories seek "the preservation of the liberty, the common traditions and the civilization of their peoples, based on the principles of democracy, individual liberty and sovereignty of the law." One could not ask for a more accurate definition of what constitutes the most precious legacy of the Western world, and Spain should be honored to contribute to its defense. In 1951, the participants in that treaty decided

to create a military defense organization, which we now know by its initials NATO. This defense organization has proven its usefulness over the nearly 30 years that have elapsed, because it has contributed decisively to preventing a third world war; and, after the coup d'etat in Prague during the spring of 1948, it held back the Soviet empire, at least in Europe. The recent Soviet attack on Afghanistan confirms the urgent need for the free nations to curb the aggressiveness of the USSR, which is consistent with the nature of its political regime. A similar situation could occur soon near our Mediterranean coasts: When Tito dies, the Soviet Union might declare that the "democratic system" is in jeopardy in Yugoslavia, and send its efficient divisions for intervention by air from Asia to Europe.

Four major opportunities are open to Spain: 1. To sign a treaty of friendship and mutual defense with the USSR, or to join the Warsaw Pact; 2. to proclaim its neutrality, either armed or unarmed; 3. to renew the treaty of friendship and cooperation with the United States, without joining the North Atlantic Treaty; and 4. to enter NATO, maintaining, as the majority of its European members have done, special relations with the United States, which bears the main burden of military expenditures.

The first opportunity has been rejected at the outset, if only because it would be feasible to avoid a solicitous visit from the Soviet tanks when the PSOE [Spanish Socialist Workers Party] attempts the experiment of socialism with a human face.

The second one is unrealistic in all its forms. A credible armed neutrality is so expensive that it exceeds the potential of the Spanish treasury, particularly if we listen to the voices of the left, which advise the creation of a Spanish system of nuclear deterrence. The neutralization of the Mediterranean, with Algeria and Morocco fighting, Libya devoted to the Islamic revolution, Israel incomprehensibly bent on not disappearing from the map and the Soviet Union determined to exercise its age-old right to send warships through the Dardanelles, is a ridiculous proposal. A Gandhian-type neutrality for the country which controls the Strait of Gibraltar and which possesses the natural aircraft carriers of the Canaries and the Balearic Isles would be untenable in any serious crisis, and would contribute to the destabilization of the world, instead of aiding the Western efforts for international disarmament.

Publius discussed the simple renewal of the treaty of friendship and cooperation with the United States 2 weeks ago. Two ideas were emphasized in that article: That the treaty would have to be signed with more stringent terms than that of September 1976, and that the political turmoil would not be any less than that aroused by joining NATO. An additional idea is related to the argument in this article, and it is a critical and irrefutable idea for those of us who share the desire to see Spain join the Western community. It is the observation that Spain is currently in a state of twofold subjugation: It is strategically dependent on the Western Alliance without participating in its military decisions at all; and it is

politically dependent on the Soviet Union, because it has allowed that country to have a voice and vote in the main question relating to Spanish sovereignty, the question of who its allies are, and how to organize its defense.

If the issue is examined dispassionately, the only obstacle to our entry into NATO is the latent threat from the USSR in preventing it. But the bloody or unbloody pressure and upheaval to which the USSR and its allies would subject the Spanish people during the affiliation process implies the need not to abandon, but rather to accelerate the process, so as to confront the Soviets with a fait accompli.

There are three types of advantages for Spain resulting from affiliation with NATO. The first is that it would enhance our sovereignty and independence. Spain is now being used by the Western Alliance for purposes with which we are in agreement, but still it is being used, without having any presence in the North Atlantic Council and the Defense Planning Committee of NATO, wherein the political and strategic decisions which affect our security in an essential manner are being made.

The second advantage is of an internal type. The neutralist fickleness is confusing the public and creating a feeling of instability. For example, a Socialist victory in the forthcoming general elections would not have any reason to alarm the center and the right if Spain had by then joined the EEC and was a member of NATO. Hence, our entry into the Atlantic Alliance is as profitable for the PSOE as it is detrimental to the friends of the USSR in Spain.

The third advantage is of a military type. Our Armed Forces need to be revamped in order to perform their mission to "guarantee sovereignty and independence and defend the territorial integrity and constitutional order," as Article 8 of the Constitution of 1978 reads. For this purpose, our Armed Forces are part of the European defense system integrated into NATO, and their complete revamping can only be accomplished within the framework of the Alliance. Moreover, we must not forget that our constitutional order acknowledges fundamental human rights which the foes of NATO are violating.

So, Publius thinks that we Spaniards, in the free exercise of our national sovereignty, for the better defense of our interests and out of patriotism, should, after the mandatory parliamentary debate, express through our representatives the desire that the members of the Atlantic Alliance invite Spain to accede to the Treaty; because, as Article 10 of this instrument states, Spain "is in a position to foster the implementation of the principles of this Treaty, and to contribute to the security of the North Atlantic."

2909

CSO: 3110

NEGATIVE IMPACT OF EEC MEMBERSHIP ON INDUSTRY NOTED

Madrid EL PAIS in Spanish 11 Jan 80 p 39

[Text] Soledad Gallego-Diaz, Brussels--According to the study entitled "Spanish Industry Facing the Common Market: the Impact of Membership," and prepared by Michael Noelke and Robert Taylor for the European Studies Association, at the request of the European Commission, 53 out of 94 industrial products manufactured in Spain will be negatively affected by our country's joining the EEC. The 560-page report examines the repercussions of Spain's entry into the EEC on the following basic sectors of our industry: iron and steel, ship construction, the automobile and auxiliary industry, aeronautics, electronics, textiles, footwear, chemicals, paper, furniture, ceramics and glass, and toys. It reaches the conclusion that 53 subsectors of those branches of industry will be faced with serious problems adapting to the European Community. The ones most seriously harmed, among others, are special steels, sheet metal, coils, freighters, container carriers, LPG carriers, diesel engines, electronic equipment for ships, light duty vehicles, engine spare parts, tractors, household electrical appliances, computers, small aircraft, plastic footwear, trucks, trousers, synthetic fiber fabrics, pharmaceutical products and perfumes, petrochemicals, kraft paper, newsprint, metal furniture, ceramics and glass, and electronic toys.

In their report on Spanish industry, the Messrs Noelke and Taylor claim that one of its features is heavy penetration of foreign capital. They state, verbatim: "More than in the EEC, the multinational companies occupy a leading position in many Spanish industrial sectors."

The attitude of these companies with foreign capital toward Spain's entry into the European Community is, in their opinion, difficult to predict, because the major decisions are made at the "headquarters." However, they point out that the fact that foreign capital is flowing into our country on a mass scale on the eve of its entry appears to indicate that the multinationals are counting on expanding their operations in Spain, so as to cover the Community market from there, and eventually that of third countries, such as the Arab or Latin American nations.

According to official statistics, between 1977 and 1978 foreign investments in Spain doubled, increasing from \$420 million to \$860 million.

Record Exports

The authors of the study are emphatic in stating: "Spain is beginning its negotiations for entry into the EEC under difficult economic conditions." Our country, which is more dependent in the energy area than are the Community's member nations, is in a particularly vulnerable position insofar as the hike in oil prices is concerned. They also stress the fact that the inflation and unemployment rates are higher than the average in the Community. These problems of the Spanish economy are not well known abroad, where there is dependence rather on Spain's exports, which reached a record high in 1978.

In analyzing the Spanish industrial structure, the report underscores the fact that 93.4 percent of the industrial firms have under 25 employees, as well as the role played by the National Institute of Industry and, once again, the heavy penetration of foreign capital.

The authors add: "The small and medium-sized business firms, which exist in all sectors of industry, will have to expend a major effort for reorganization and concentration; because their existence will be threatened by the membership, owing to the competition from the large Community firms. We are thinking, for example, of industries such as that producing electronic components or the auxiliary automobile industries."

On the other hand, small firms in the footwear, textile and ready-made clothing sectors could very well survive.

They emphasize that another major feature of the Spanish economy is its high degree of technological dependence. The deficit in the balance of payments in this area stands at between \$300 and \$400 million per year.

With respect to the INI, the experts from the European Studies Association are of the opinion that its role is not very different from that of the public enterprises in the Community nations. They note: "But, apart from the INI, the Spanish state grants assistance to industry as a whole, something which will be an important point in the negotiations for the membership;" and they list the assistance of a sectorial and regional type that exists currently, including the associations for industrial development and the industrial polygons.

The report makes an exhaustive examination of Spanish foreign trade and states that, despite the recent measures for liberalization adopted by the government, the Spanish market is still heavily protected.

It subsequently observes: "In the absence of an improvement in its domestic demand, it is important for Spain to maintain the dynamism of its external sector." The Community exports are of the opinion that the Spanish Government was "very cautious" when it estimated the annual rate of growth

for the period 1980-83 at 4 or 5 percent, and an inflation rate similar to that of the EEC countries. They state: "The Finance Ministry later changed its estimates, and is now calculating a growth rate of between 3 and 4 percent, and an inflation rate of between 12.5 and 13.5 percent, which is higher than that of the Community."

The report notes that the government's efforts to curb inflation have been reflected in the unemployment rate, which official figures estimate at totaling 1.128 million jobless as of the middle of 1979. It adds that the unemployment rate is far higher in the southern provinces, where it could amount to 18 percent.

According to the Messrs Noelke and Taylor, 160,000 new jobs per year would have to be created in order to maintain the current unemployment rate, which would mean a rate of increase amounting to 5 percent per year.

Despite the great differences that exist among the various industrial sectors, the report of the European Studies Association is of the opinion that, generally speaking, Spain is not a country with low wage costs, and stresses that the productivity rates are still lower than those of the EEC in the key sectors of the economy.

2909

CSO: 3110

TURKISH PAPER WARNS AGAINST DANGERS OF UPRISING

NC060840 Istanbul GUNAYDIN in Turkish 5 Feb 80 p 3 NC

["The Situation in Ankara" column by Teoman Erel: "What If the People Wish to Try Something Else?..."]

[Excerpts] At this moment a nightmarish crisis and intensive pessimism seem to have descended on our country and, unfortunately, neither our Prime Minister Suleyman Demirel nor any other government authority appears determined to do the necessary to disperse this atmosphere. Far from inspiring us with any hope, they keep describing the gravity of the situation and the enormity of the conflagration. They keep reiterating that our country may be using its last chance. Probably they intend to stress how essential these exhaustive measures are.

However, it should be known that when the psychology of helplessness and hopelessness spreads and assumes intensity, price rises and rapidly increasing inflation cease to provide material for polemics and become serious issues in themselves. Under such circumstances, the foundations of the regime begin to crack. The unrest created by small groups, which identify themselves with violence, may take the form of real chaos and even civil war with the participation of the masses.

Suleyman Bey is aware of this possibility, but he never talks about it to the local press. However, in a statement to a foreign journalist from the West he defines this fear as he sees it. He told that journalist: "At this moment, the public does not support terrorists. But if the inflation increased by 120 or even 150-160 percent, this would wipe out the middle class and the citizens would start cursing the regime. Nothing can be worse for the regime than this. The public then decides to try some other system."

This defined possibility cannot at all be discounted. However, it is impossible not to be astonished at Suleyman Bey's optimism in this respect. Must the inflation rise by 120-150 percent before the public tires of the present regime and decides to try another? Hasn't the present rate of annual price increase, which has reached nearly 100 percent, created enough shock and social tension?

This is an extremely perilous and erroneous judgment. Suleyman Bey should go out into the street and feel the pulse of the people.

Although the burden of taxation has to be met to a great extent by those with small and limited incomes, an additional 300 billion liras in indirect taxes--necessitated by the recent price increases--has been imposed on the same people.

We have to extricate ourselves from this crisis through democratic methods without further restricting freedom. The government must therefore, without any further delay, adopt just and efficacious measures which will disperse the current pessimism.

If this government has no intention to adopt such an attitude, which would cheer up the people even a little, then the parliament must take action and create a new administration from its own ranks without waiting for the inflation to rise to 120 percent.

CSO: 4907

BRIEFS

ADANA MARTIAL LAW ACTIVITIES--More than 2,000 pistols, 121 rifles, 43,500 rounds of ammunition and a large quantity of dynamite sticks were seized in operations conducted by the Adana, Kahramanmaras, Gaziantep and Adiyaman martial law authorities since martial law was imposed on this area. A TRT correspondent has learned that during this period martial law security forces detained 6,792 persons for various crimes. The military tribunal arrested 2,908 of these. It has been announced that during this same period 305 persons were killed in political incidents which occurred in this area and that 572 others were injured. [Text] [Ankara Domestic Service in Turkish 2000 GMT 1 Feb 80 TA]

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